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AIRLINE LABOR DISPUTE

GOVERNMENT
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HEARINGS BEFORE THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

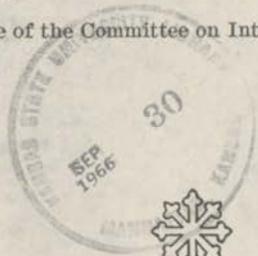
S.J. Res. 186

A JOINT RESOLUTION TO PROVIDE FOR THE SETTLEMENT OF
THE LABOR DISPUTE CURRENTLY EXISTING BETWEEN CER-
TAIN AIR CARRIERS AND CERTAIN OF THEIR EMPLOYEES,
AND FOR OTHER PURPOSES

AUGUST 5, 6, 8, 9, 10, 1966

Serial No. 89-41

Printed for the use of the Committee on Interstate and Foreign Commerce



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AIRLINE LABOR DISPUTE

FRIDAY, AUGUST 5, 1966

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The committee met, pursuant to call, at 10 a.m. in room 2123, Rayburn House Office Building, Hon. Harley O. Staggers (chairman) presiding.

The CHAIRMAN. The committee will come to order.

The hearings today are on legislation dealing with the current strike in the airline industry. Yesterday afternoon the Senate passed legislation dealing with this situation, and I immediately scheduled these hearings for this morning. Each member of the committee has before him a copy of the bill as passed by the Senate. This hearing has far-reaching implications, not only to those involved in this strike but to all labor and management.

I am hopeful that before the conclusion of these hearings and before this legislation gets to the floor, there will be an announcement that there has been a settlement of this strike. I don't see how either side is going to profit by legislation. One side or the other might think that they can or will in the long run, but I believe that history will show that neither side can.

It was suggested that perhaps when this legislation came over to this side, we could by unanimous consent take this up on the House floor, but I said it was the Nation's business, and the Nation's representatives are on this committee. It was suggested at one time that maybe we could have closed hearings, and I said this was not possible because the public is entitled to know what is going on. This committee will give due and deliberate consideration to the business before it, and I am satisfied that at the end we will come up with something that will be as nearly equitable as we can make it, and that means not only to labor and management but to the public as well.

I don't know how long the hearings are going to take. I hope not long. We are going to expedite them every way we can, because this is going to affect countless millions of people who work in this land, and management too. We are going to do our very best.

I might explain that as passed by the Senate, the bill contains nine sections. The first section pertains to congressional findings identical to the findings required to be made under section 10 of the Railway Labor Act before an emergency Board may be established and contains other findings relating to the current dispute.

Section 2 of the bill provides that upon enactment of the bill, the provisions of section 10 of the Railway Labor Act are reestablished for

30 days, and no change shall be made by the parties, except by agreement, in the conditions out of which the dispute arose, and that during these 30 days, none of the parties may engage in or continue any strike or dispute.

Section 3 provides that the President may establish a special airlines dispute board which shall engage in mediatory action, and if such a board is established, the provisions of section 2 prohibiting changes and conditions except by agreement and prohibiting any strike or lockout shall continue to apply for 60 days after the appointment of the board. If at the end of these 60 days the special board finds that the conditions recited, and as findings in section 1 continue, and recommends to the President that the 60-day period be extended, the President may be authorized, or is authorized, to issue an Executive order extending the period for an additional 90 days.

Section 4 provides that if an agreement has not been reached 30 days before the expiration of the final report for a period of time provided in section 3, the board shall make a report and recommendations to the President for transmittal to the Congress. The President shall also submit to the Congress a report of the dispute and his recommendations regarding terms or procedures which will assist in the final settlement of the dispute in the public interest.

Section 5 of the bill provides for the enforcement of the provisions of the bill by injunction, and section 6 provides that, if during the 180 days provided for in sections 2 and 3, and before settlement of this dispute, any other dispute involving an air carrier and its employees occurs which threatens substantially to interrupt interstate commerce, and all procedures of the Railway Labor Act have been exhausted without settlement of the dispute, the President may issue an Executive order which will make applicable to the parties the provisions of this act to the same extent as though the parties were originally included in the act.

Section 7 is the same as section 9, paragraph eighth, of the Railway Labor Act, stating that nothing in the joint resolution requires an individual to render labor or service without his consent or makes it illegal for an employee to resign.

Section 8 provides for a study by the Secretary of Labor of the adequacies of the labor disputes provisions of existing law and provides for a report and recommendations to Congress.

Section 9 is the standard separability clause. I have gone into some detail concerning the provisions of this bill, since many persons may not have had time to study it in detail as yet in view of its passage late yesterday afternoon by the other body.

(S.J. Res. 186 follows:)

[S.J. Res. 186, 80th Cong., 2d sess.]

JOINT RESOLUTION To provide for the settlement of the labor dispute currently existing between certain air carriers and certain of their employees, and for other purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress does hereby find and declare that a labor dispute between Eastern Airlines, Incorporated, National Airlines, Incorporated, Northwest Airlines, Incorporated, Trans World Airlines, Incorporated, and United Air Lines, Incorporated, and certain of their employees represented by the International Association of Machinists and Aerospace Workers, a labor organization, threatens substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation services;

that such essential transportation services must be maintained; that all procedures for resolving such dispute provided for in the Railway Labor Act have been exhausted and have not resulted in settlement of the dispute, including a report and recommendations of the Emergency Board Numbered 166, a proffer of arbitration and mediation with the parties by the National Mediation Board; further, that the efforts of the National Mediation Board and the Secretary of Labor to settle this dispute have been unsuccessful; and that it is desirable to achieve a settlement of this dispute in a manner which serves the public interest and economic stabilization and which preserves the free collective bargaining method.

(b) The Congress therefore finds and declares that emergency measures are essential to the settlement of this dispute and to the security and continuity of transportation services by such carriers.

SEC. 2. For a period of thirty days effective from the date of enactment of this joint resolution the provisions of section 10 paragraph 3 of the Railway Labor Act shall apply and no change, except by agreement, shall be made by the parties to the controversy, or affiliates of said parties, in the conditions out of which the dispute arose. During such period of time none of the parties to the dispute, or affiliates of said parties, shall engage in or continue any strike or lockout.

SEC. 3. (a) Within the period of time specified in section 2, the President's authorized, on the basis of the findings of Congress in section 1 of this joint resolution, to appoint a Special Airline Dispute Board which shall thereafter engage in mediatory action directed to promoting agreement among the parties. The provisions of section 2 shall continue to apply during a period of sixty days following the appointment of the Board. At the expiration of said sixty-day period, the President is authorized, on the basis of the findings of Congress in section 1 of this joint resolution and if the Special Airline Dispute Board provided for in this section finds that the provisions of said section 1 continue to exist and recommends to the President that the sixty-day period be extended, to extend the provisions of section 10, paragraph 3 of the Railway Labor Act for an additional ninety days upon issuance by the President of an Executive order so providing. During the period or periods of time referred to in this section, none of the parties to the dispute, or affiliates of said parties, shall engage in or continue any strike or lockout.

(b) Any agreement among the parties shall provide that the wage settlement provisions be retroactive to January 1, 1966.

(c) Notwithstanding any other provision of law, the National Mediation Board is authorized and directed: (1) to compensate the members of the Board at a rate not in excess of \$100 for each day together with necessary travel and subsistence expenses, and (2) to provide such service and facilities as may be necessary and appropriate in carrying out the purposes of this joint resolution.

SEC. 4. If an agreement has not been reached thirty days prior to the expiration of the final period of time provided in section 3, the Board shall make a final report with recommendations to the President which shall be transmitted to the Congress by the President, along with a full and complete report of the dispute and his recommendations regarding terms or procedures which will assist in the final settlement of this dispute in the public interest and without further interruption of the continuity of transportation services by these carriers.

SEC. 5. (a) Upon suit by any of the parties to the aforesaid dispute or by the Attorney General the several district courts of the United States shall have jurisdiction to restrain any violations of sections 2 and 3 of this joint resolution. Whenever it shall appear to the court before which any proceeding under this section may be pending, that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not; and subpoenas to that end may be served in any district by the marshal thereof.

(b) In granting an injunction or relief under this section, the jurisdiction of such court sitting in equity shall not be limited by the Act entitled "An Act to amend the Judicial Code, to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 101-115).

SEC. 6. If, prior to the settlement of the dispute referred to in section 1, a dispute between any other air carrier and its employees shall in the judgment of the President, threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service after all procedures of the Railway Labor Act have been exhausted and have not resulted in a settlement of such dispute, the President is authorized to issue an Executive order reciting such findings; whereupon the provisions of sections 2, 3, 4, 5, and 7 shall become applicable to such dispute and to the parties thereto as

though originally included in such provisions: *Provided*, That any such agreement referred to in section 3 shall provide that the wage settlement provision shall be retroactive to the expiration date of the prior collective bargaining agreement.

SEC. 7. Nothing in this joint resolution shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this joint resolution be construed to make the quitting of his labor or service by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent.

SEC. 8. The Secretary of Labor is hereby directed to commence immediately a complete study of the operations and adequacy of the emergency labor disputes provisions of the Railway Labor Act and the Labor-Management Relations Act. The Secretary is further instructed to report to the Congress by January 15, 1967, the findings of such study together with appropriate recommendations for such amendments to the Railway Labor Act and the Labor-Management Relations Act as will provide improved permanent procedures for the settlement of emergency labor disputes.

SEC. 9. If any provision of this joint resolution or the application thereof is held invalid, the remainder of this joint resolution shall not be affected thereby.

Passed the Senate August 4 (legislative day, August 3), 1966.

Attest:

EMERY L. FRAZIER, *Secretary*.

The CHAIRMAN. The current dispute involves Eastern, National, Northwest, Transworld, and United Airlines, and approximately 35,000 of their employees represented by the International Association of Machinists Aerospace Workers, AFL-CIO.

These carriers are 5 of the 11 domestic trunk airline carriers operating in the United States representing over 60 percent of the domestic industry as measured by passenger miles.

The parties entered into an agreement on August 9, 1965, establishing a procedure for joint negotiations of the disputes between them. On October 1, 1965, the union and the carriers served on each other the notices required by section 6 of the Railway Labor Act involving eight issues common to all the carriers, and over 100 issues, each relating to individual carriers.

After negotiations, the parties applied to the National Mediation Board for mediation, which began on February 1, 1966, and terminated on March 10. Arbitration was proffered pursuant to law, agreed to by the carriers and declined by the union. The Board made a final offer to mediate on April 14, but this was unsuccessful, and a strike deadline was set for April 23.

The Board notified the President that the dispute threatened to substantially interrupt interstate commerce and the President established Emergency Board No. 166 under section 10 of the Railway Labor Act, which prevents any strike or lockout for 60 days. The Board held hearings and issued a report on June 5, making a number of recommendations for settling the 8 national issues and 40 local issues remaining unresolved. The union declined to accept the recommendations and collective bargaining was resumed.

On July 8 the union called a strike which it has continued to this date. On July 25, a Monday, this dispute was considered in executive session by the Senate Labor and Public Welfare Committee. The committee then held a hearing on Wednesday, July 27, and

held executive sessions on Thursday and Friday of that week. On July 29 the parties met with the President at his request and announced a settlement on that same date, subject to ratification by the union membership. On July 31 the membership rejected the proposed settlement by an overwhelming vote.

On August 1 the Senate committee reported legislation to the Senate which, after 2 days of debate, was passed yesterday afternoon in amended form. As soon as I learned of the passage of the legislation by the Senate I immediately scheduled these hearings and asked the Secretary of Labor if he would appear this morning to discuss this matter with us. The Secretary very graciously agreed, and will be our first witness this morning.

Mr. Secretary, I know this is very short notice to you but I understand you have had quite a bit of practice lately testifying on this subject, so perhaps the suddenness of our request to you isn't quite the hardship it might otherwise have been. At any rate, I certainly hope so. You may proceed, sir, as you choose, with your testimony.

STATEMENT OF HON. W. WILLARD WIRTZ, SECRETARY, DEPARTMENT OF LABOR; ACCOMPANIED BY JAMES J. REYNOLDS, ASSISTANT SECRETARY, DEPARTMENT OF LABOR

Secretary WIRTZ. Mr. Chairman, there is certainly no imposition as to the degree of hardship; I suppose we can determine that later. But I am glad to appear before the committee to testify on this matter.

I have no statement to make to the committee and will be glad to proceed with whatever questions the committee may have.

The CHAIRMAN. I thought you would perhaps have a rather long, lengthy statement which you would want to give us on this subject and the benefit of your wisdom and views.

Mr. Farnsley says this is some kind of a record. Most of the witnesses before us, we have to sort of ask them if they won't put their statement in the record and summarize it.

Secretary WIRTZ. If there is a preference on the part of the committee for a longer statement, as you suggested, there has been recent occasion for frequent discussion of this matter, and I shall be glad to advise the committee, by way of an opening statement, about any of these several matters which may be of importance to you.

You have stated very properly, it seems to me, Mr. Chairman, the broad balancing of freedoms which is basically involved here. You have referred to the history of the dispute; and with respect to that, if the committee should desire a statement as to the present position of the parties, I should be glad to advance that.

If the committee should desire a fuller statement with respect to the impact of this strike, as we have currently measured it, I am in the position to do that.

If there should be a request for discussion of the provisions, the effect of the provisions, of Senate Joint Resolution 186, I will be glad to go into that.

So it is rather a matter of simple identification, simply having an identification of the committee's interest.

If you would advise me as to which of these areas you would like to have a statement on, I will be glad to proceed in whatever way seems to you advisable.

The CHAIRMAN. Mr. Secretary, I think the committee would be interested in the present status of what is going on, your knowledge, and what the hopes are of getting together in a settlement, and perhaps a little discussion of what the impact might be.

Secretary WIRTZ. All right. Let me, perhaps, then put those two matters, those two points, in reverse order, and talk first about the impact of the situation on the country and on the economy.

With respect to that, Mr. Chairman, we have spent the night, since receipt of the committee's request, trying to bring together as completely accurate a picture as we can of the present impact of this dispute on the national economy and on the interests of all the groups affected, and I would be glad to summarize that.

I think the committee has before it a summary of the hearings before the Senate committee, where a week ago I outlined the impact of the strike in the terms of the situation as we had determined it then from the various departments of the Government, and also from a careful exchange and scrutiny of the mail, the telegrams, which have been received.

I will bring that report down to date, as of last night.

The general report is that the situation is today very much the same as it was a week ago and as it was reported in detail a week ago Wednesday to the Senate. There have been virtually no significant changes as far as the situation is concerned.

Now, in more detail, that means—and let me take up first the situation as it affects the military effort, because there has been particular interest in that—it means first that there is no effect of this strike on the military program. There has been complete cooperation of both parties, and also of all Government agencies in the handling of all military air movements, so that specifically, as of about 8 o'clock last night, the report to us from the Department of Defense is that with respect to overseas passenger requirements, with respect to overseas cargo requirements, with respect to domestic cargo requirements, there is full availability, there is availability equal to the need for those things.

I simply state to you that aside from certain matters of obvious inconvenience as far as moving or arranging for meetings, and that kind of thing, is concerned, there is no impact on the defense program.

The second point of particular inquiry as affecting the facts of the situation as far as the Post Office is concerned, and I am taking this up from the standpoint first of the various Government programs, about two-thirds of the total postal air service is normally performed by the five carriers that are on strike. Last year, they accounted for about 134 million ton-miles of postal service.

There has been obviously interruption in the airmail service. In general, I think it is a fair statement to say that there is now about, on the average, a 24-hour delay in mail—which would previously have moved by air.

There are other refinements of that situation. I will be glad to go into detail about them, but that is roughly the situation. The Post Office Department has arranged certain special air charters to take care of this situation. They have made other special arrangements.

In general, it may be assumed that that mail which moved by air before is now 24 hours delayed on the average.

Those are the two principal governmental operations which are involved. As we turn to the situations as it affects the public in its more private capacity, the situation, Mr. Chairman and members of the committee, is this:

You have suggested properly in your opening statement, Mr. Chairman, that the five airlines involved here normally account for about 60 percent of the airline transport in this country. This means, in terms that are most readily understood, that about 150,000 people a day who would normally have traveled on these carriers have to make some other provision or are without provision for their transport.

That is approximately the number who are affected in one way or another. That is an oversimplification, because it does not take into account the adjustments which have been made to meet this situation on the part of the nonstruck airlines, and that has quite a marked effect on it.

A report as of late yesterday from the CAB, just to give you a single figure, selecting it from a number of others, estimates that today perhaps 34 percent, let's say 30 to 35 percent, of that traffic which would have been handled by these lines, is being taken care of by the other lines.

That is a rough figure; it is not precise, but it will give you the situation in general. That is as far as the traveling public is concerned.

I should add that there is increasingly a situation in which the number of Americans abroad who had planned to return by TWA, one of the five carriers involved here, which is struck, has mounted rapidly, so that there are today, as of again a report of last night, approximately 6,000 Americans in Europe today and in foreign countries who had expected to return by this time by air who have not done so.

It is a situation in general of obvious serious inconvenience as far as this part of the traveling public is concerned, and that is about the proportions of it in terms of passengers.

Now, that leads to the final area of identification, which involves an attempt to at least estimate or describe to you in general terms the economic effect of this strike. That is very hard to do. It is hard because the impact here is not in terms of, if I may use that phrase, the vitals of the economy as a whole with respect to which there is comparatively minor impact.

It affects rather a certain number of businesses and a certain number of areas, and affects them quite seriously and quite sharply. I would give you a misleading impression if I were to put this in terms of the percentage of the whole economy affected, because it would be a very small percentage, and it would not accurately describe the impact which is so serious in particular areas and among particular groups of people.

Now, it is with that thought in mind that we have made, during the night, a study of the now 5,200 telegrams and letters which have been received either at the White House or at the Department of Labor with respect to this matter, and I give you this summary of the picture in those terms.

If this situation can be measured accurately by the reports which have come in from particular individuals and companies, it is reflected this way:

Of the 5,200 telegrams which have been received—5,271, to be precise—call it 5,000 so it will be easily understood—first, 3 out of 4 of them urge very strongly the termination of this trike in one way or another. There has been in the last few days a substantial increase in the number who assert the importance of not interfering with collective bargaining in this particular situation, and who oppose legislation, and that amount has increased recently.

But, of the total, about three out of four favor an ending of the strike.

Just to give you some of the other figures, and then to pursue it as your interests may dictate, 60 percent of the protests from the individuals, of the mail from the individuals, comes from the States of Washington, New York, California, Illinois, and Florida; and the other 40 percent is distributed among the others.

We have turned then to an analysis of the business reports which have been received. There have been communications from 3,650 business firms. Those are primarily in these States:

A very large number of them in California, Florida, Illinois, and New York; a substantially significant number of them in Kentucky, Pennsylvania, Oregon, Ohio, North Carolina, and Washington.

The largest number of them have come from travel agencies. There is over 500 of that group.

There has been another large concentration from hotels and motels. There has been a large group of telegrams from florists, companies in the floral business in one form or another. Those have been the largest concentrations there.

There has been another particular set of protests from those who are or were planning to attend conventions of one kind or another.

I could go into a good deal more detail about it, Mr. Chairman and members of the committee. I have summarized the situation as clearly as I can as follows:

In terms which we have associated with the application of legislative study in the past, of national defense and health and safety, those matters are not affected here.

In terms of overall economic threat, I do not find, on the basis of the information that we have, any attack going to the vitals of the economy.

What we have is an extraordinary, an extremely regrettable disruptive interference with the conveniences of a good many people and with the business interests of particular groups in particular areas, and I do not mean by describing it that way to minimize them in the least. But it is more a scattered effect than it is an overall generalized effect.

To complete the summary, there is no relationship to the military situation. There is about a 24-hour delay in mail service. There is that group of seriously inconvenienced Americans abroad. Perhaps that will suffice to outline the impact of the situation as it existed as of last night.

I should add one other thing. It is not at this point changing at all materially. The number of people abroad is mounting, and the injury to the businesses which were affected right from the start continues and is cumulative in that respect; but there appears to be no particular spreading of the impact.

There is one other point I should mention. With respect to the interests of the parties to the dispute themselves, we have these estimates.

A week or 10 days ago, I used, on the basis of the best evidence available then, a figure of loss of domestic revenues by these airlines, that is in terms of gross revenues, of about \$7 million a day. That figure as of today is probably about \$8.2 million losses in revenues a day to the struck carriers.

The number of employees affected is about, as you have indicated in your opening statement, 35,000 directly affected, that is, the striking group. There is probably another group of between 35,000 and 50,000 airline employees in other occupations who have been laid off as a consequence of this.

The number of people, of employees in other businesses which had depended to one extent or another on air transport, is simply impossible to define.

So that is about the estimate of that picture.

Now, with respect to the other part of your question, which has to do with the current state of affairs as far as the negotiations are going on, there were, of course, the very active negotiations leading up to Friday, a week ago today, and culminating in the settlement which was reached Friday night.

There were then the 2 days, Saturday and Sunday, which were taken in the holding of the ratification vote on the part of the union, which most unfortunately turned out in terms of nonratification.

There have been conversations of one kind or another during the intervening days. That means Monday to today; but I should say to you, Mr. Chairman and members of the committee, that there has been no meaningful discussion of this matter, nor will there be so long as it is before the Congress, because the consideration, the thought of both sides at this point are concentrated upon the legislative action with respect to this matter; and I must say to you respectfully that the prospect of movement through mediation during the period of legislative consideration is inconsiderable, to say the least.

It is simply very difficult to approach the matter with the parties in terms which do not take account of the legislative matters.

So, in practical terms, Mr. Chairman, there are today no meaningful negotiations going on, although we have kept in touch with both parties on a daily basis, to continue to explore those possibilities.

The CHAIRMAN. Thank you, Mr. Secretary.

I would like to ask you just two or three questions.

Has the administration recommended any legislation to deal with the current strike?

Secretary WIRTZ. To deal with this strike?

The CHAIRMAN. Yes.

Secretary WIRTZ. No, it has not, Mr. Chairman.

The CHAIRMAN. Does the administration have a position on this legislation?

Secretary WIRTZ. On the Senate resolution which is before you now?

The CHAIRMAN. That is right. And if so, what is it?

Secretary WIRTZ. Sir, I anticipated that question, and have tried, Mr. Chairman, during the night again, in the interests of being as

clear about it as possible, just to put down informally the somewhat extended answer to that question. It is, in short, this:

That the administration does not take a position with respect to whether there should or should not be legislation in this situation. It does take, and I shall be glad to be of any assistance I can in connection with that, positions with respect to what kind of legislation would be most effective, knowing what we do of this situation, if there is to be legislation.

But I think I should like to make a little extended statement on that, because I know, from the past week's experience, that it will come up repeatedly, and perhaps it is better that I be as specific as I can about it.

My thoughts on that, Mr. Chairman, start from a point which you have very properly emphasized in your opening statement.

The question before this committee and before the Congress and before the country today obviously involves infinitely more than the question of just how to settle this particular strike or how to handle this particular strike. If that is all there were—that is all there was ever going to be, there would not be concern.

The thing that makes it, of course, a matter of great moment is that it involves the whole question of what studies should be set for balancing the interest which are involved in this situation and in other situations like it, the interests which are reflected in the right to strike, the interests which are reflected, on the other hand, in the right, the desire of people to travel on airplanes.

There is this very delicate balancing of freedoms. It is important to realize that this is an issue which Congress has faced four times in the last 4 years, only that many times as far as this country is concerned.

It faced it first in 1926 in the enactment of the Railway Labor Act, and Congress said then if there was a situation which—and this is in quotes from the Railway Labor Act—if there is a situation which “threatens substantially to interrupt interstate commerce to the degree such as to deprive any section of the country of essential transportation service”—that ends the quote—then the right to strike must be held up until certain procedures are followed.

Those are the procedures which were followed in this case. The last two steps are the meeting of the emergency board and the making of its recommendations, and then a 30-day period for negotiations.

And so, in 1926, the Congress said in that kind of situation with that balancing of interests, there should be that procedure followed.

Then the Congress said again during World War II, and after there had been private agreement to the same effect, that there just shall be no strikes. On that balancing of interests, with the war and with the possibility, if there is a possibility, of interference with military effort, the congressional decision then was very clear. There just should not be any strikes.

Then the Congress faced this matter again in 1947 in the Taft-Hartley Act, and it said there that where there is “an imperiling of the national health and safety,” there shall be a curtailment of the right to strike for 80 days, and that is a familiar provision.

Then Congress spoke again in 1963, when there was the threatened shutdown of all of the Nation's railroads, and at that time, the Con-

gress found "a situation involving the national health and defense," and in that situation ordered that there be no strike, that there be arbitration, and that the arbitration award should be effective for 2 years, which was the result.

Now, there is another proposal before the Congress and before the country to curtail the right to strike, and it involves another kind of situation.

If I may summarize again what I have said before, first of all, the procedures originally prescribed by the Congress for this situation, involving the threatening of transportation in a part of the country, those procedures have been exhausted. That time has passed, so this is a new situation in that respect.

Second, there is no threat to the military program, so it isn't similar to the World War II situation.

Third, there is no imperiling of the national health or safety, so it isn't like, in my judgment, the situation which prompted the Taft-Hartley Act.

Fourth, there is no threat to the national health and defense, so it isn't a situation like the 1963 situation.

There is a very serious inconvenience to a very great many people, and there is economic injury to many businesses and to many workers, especially in certain parts of the country, and there is also a very serious issue of national economic stability involved, because we all know that that is part of the background of the present dispute, and then there are, of course, serious differences between the parties themselves regarding their respective positions.

Now, this balancing of freedoms has not been previously judged by the Congress or the country as a reason for denying the right to strike. Whether it should be or whether it should not be, in this case and in others like it. It is a fair and a vitally important question.

In my judgment, respectfully, that question should be settled by the Congress one way or the other.

If there is to be a new balancing of the freedoms of the parties to this dispute and the freedoms of the public to use the services of these airlines, the Congress should make that decision.

The executive departments of the Government have been engaged in extensive efforts to settle this dispute under the existing legislative rules. We have been working night and day for the past several weeks, and those efforts continue.

I say to you quite frankly that it has become a major factor in the Government's mediation of major labor disputes, not only this one, but others before it, especially in the past few years, whether the mediator is or is not going to, as it is put in the negotiations, "go for legislation".

That consideration has become a haunting question at the mediation tables in the Government councils.

I think, Mr. Chairman and members of the committee, frankly that it is not a healthy addition to the mediation process as it is conducted by the Government. That question has begun to occupy too large a part.

So, in answer to your question, Mr. Chairman, we have not asked for legislation in this case. We have not opposed it. It is our position that this is a proper question for congressional determination,

that balancing of freedom that affects so much more than the immediate case before us.

If it is Congress' disposition to consider such an action, I will be glad to express whatever judgment may be deemed relevant to the members of the committee regarding the comparative effectiveness of various forms which may be suggested, but I shall respectfully urge that the question of whether there is to be such action lies within the responsibility of Congress.

And so, summarizing again shortly, my answer to your question, would be that there is not a position taken with respect to whether there should or should not be legislation. There will be the fullest possible measure of help with respect to any questions bearing on the matter of what kind of legislation would be most effective, if that determination is made.

The CHAIRMAN. Thank you.

I am concerned, too, with the precedent that this bill might create. As you know, and as you have discussed, the Congress passed, we hoped at that time, a one-shot compulsory arbitration situation on the railroad dispute.

Now, we find ourselves in the position of possibly having to pass legislation on this. If we pass this bill, do you think this will increase or decrease the likelihood of meaningful collective bargaining? Will it be injured if we pass this bill?

You discussed this quite fully there, but you did not answer as to whether it will injure collective bargaining if this bill is passed.

Secretary WIRTZ. I will make my answers more precise as the discussion goes on, but you are touching on very basic questions which make it difficult to answer briefly.

Any time there is legislative action which provides for a final determination of a dispute by Government rather than by the private parties, there is to some degree, a weakening of the collective bargaining process in the sense that one party or the other will, in the future, depend upon that prospect rather than ascertaining its responsibility to take a hard position.

The best illustration of that is that during the war, when we provided by law for what was in effect compulsory arbitration, by the end of the war, the War Labor Board was handling 625 dispute cases every week. They were all coming in.

You have asked in terms more specifically in reference to the action taken in 1963 with respect to the compulsory arbitration dispute at that time.

I would answer you now illustrating the other side of this situation. I don't believe, and there would be disagreement about this, that action weakened basically the mediation processes in the railroad industry, and we have been watching that very carefully.

So many of us were very much concerned at the time that that would happen, and that there would be no more collective bargaining. It hasn't worked any better certainly, but I don't believe—or putting it affirmatively—I believe the fair answer to that question is that that case was marked as being so much separate and apart from the normal case that it did not destroy collective bargaining in the railroad industry.

I would have to give you a yes-and-no answer to the question, except to say this, which I suppose is clear in everybody's mind, that every

time we provide for governmental determination of a dispute, we weaken by so many degrees the parties' determination to do it themselves in the future.

I say that of collective bargaining. It is as true in this field as in any other field of relationships between people in this country. To whatever extent the Government takes over anything, people rely less on their own responsibility.

The CHAIRMAN. A dispute going on between the American Airlines and its employees is being considered by Emergency Board 167. Are they actively engaged in collective bargaining or are they waiting to see what is going to be done by the Congress?

Secretary WIRTZ. We would have, Mr. Chairman, only indirect knowledge of that situation, but I can report that the members of the mediation board, of the emergency board in that case, have met. They have met now, I think, with both parties.

I think that the processes of the act are proceeding in that case without regard to the disposition of this.

The CHAIRMAN. One last question because I know all the members of the committee have many questions to ask.

Section 4 of the Senate-passed bill provides that the President shall transmit to the Congress "his recommendations regarding terms or procedures which will assist in the final settlement of this dispute in the public interest and without further interruption of the continuity of transportation services by these carriers." Now, I read this as possibly providing that the President's recommendations must prevent employees from being able to strike, otherwise I cannot understand the reference to "without further interruption of the continuity of transportation services."

Do you interpret this language the same way I do, or do you have a different interpretation of its possible effect?

I would also appreciate your comments on the meaning of the entire section.

Secretary WIRTZ. I see the question and I do not know the answer. The language came from the Senate. I am sure that the question which you are putting involves the matter whether this provides for compulsory arbitration at the end of this period.

The CHAIRMAN. That's right.

Secretary WIRTZ. The Senate's view on that, and I refer to the Senate only in this respect, as the authorization of Senate Joint Resolution 186, made its position quite clear on that matter when it voted the day before yesterday, I think, 18 to 6 against a compulsory arbitration provision.

My own feeling about compulsory arbitration is exactly the same without the six. I don't know frankly, Mr. Chairman, how to read this. I don't believe that—it certainly provides or it certainly contemplates that there will be further action of the Congress before anything of that kind is done, so I think it would be safe to assume—and this is the most informal advice—I think it would be safe to assume that it would not have the effects to which you refer, without subsequent congressional action.

The CHAIRMAN. Thank you very kindly.

Secretary WIRTZ. Mr. Chairman, I am very sorry not to have identified at the beginning of the hearing my associate, Assistant Secretary James Reynolds. That is an oversight, partly.

As you know, he is the one who has been carrying the great burden of this whole matter and will be in a much better position than I to speak to the details of the dispute.

The CHAIRMAN. I think most of the members of the committee recognize Mr. Reynolds.

Secretary WIRTZ. But I apologize for my oversight.

The CHAIRMAN. Mr. Friedel.

Mr. FRIEDEL. Mr. Secretary, I think you stated that the airlines are not having any negotiations while this legislation is pending. Am I correct in that?

Secretary WIRTZ. Yes, sir.

Mr. FRIEDEL. Is there anything in this bill that causes compulsory arbitration?

Secretary WIRTZ. That calls for compulsory arbitration?

Mr. FRIEDEL. Yes.

Secretary WIRTZ. No. My understanding is that there is not. I answered the Chairman's question in terms of the recognition of a possibility of that element in section IV, but I am quite clear, at least to this extent, that there could not be action of that kind without subsequent legislative action.

With respect to your other question, and the chairman's question, too, I want to make it plain that there are representatives of both parties here in town. Your question about whether there is any possibility of going ahead with all of this, and I don't mean by my answer to this question to suggest that there is any abandonment of the attempt or even the abandonment of the hope which at times is the only sustenance in this business, but I am simply pointing out that any considerations of the matters during this period are very much affected by the pendency of the legislative consideration.

Mr. FRIEDEL. I have been receiving a lot of mail the same as other members, and have been reading a lot of articles in the press, and I saw an article stating that at the present time 66,800 airline employees are out of work, including 35,400 machinists; 150,000 passengers have been grounded each day during the strike and have had to find other means of transportation to reach their destinations.

I have received numerous letters and telegrams from small businesses who depend upon the airlines such as travel agencies, resorts, cities. Their sales have dropped drastically and their incomes reduced to a trickle.

The strike is causing severe inconvenience and economic hardship across the country, to say nothing of the 16,000 Americans stranded in Europe.

You say it is only 6,000?

Secretary WIRTZ. That is my advice.

Mr. FRIEDEL. You said the airlines are losing \$7 million. I thought it was \$8.2.

Secretary WIRTZ. It has gone up. There is an increase.

Mr. FRIEDEL. I am hopeful that whether there is legislation or not—and I am not trying to condemn the airlines or labor—I am a great believer in free collective bargaining.

Secretary WIRTZ. Right.

Mr. FRIEDEL. But I think it has grown now so that something has to be done. Did you say that the President was not in favor of this bill?

Secretary WIRTZ. No; I did not say that.

Mr. FRIEDEL. You said he is not for it but he is not against it, is that it?

Secretary WIRTZ. I tried to spell that out as fairly as I could. Again to summarize it, no position is taken with respect to whether there should or should not be legislation. If there is to be legislation, then whatever advice from the administration you may consider relevant we would be glad to advance.

Mr. FRIEDEL. Can you just elaborate a little bit more on the one statement you made earlier. I thought you said there would be no meaningful negotiations going on while this legislation is pending. Now am I to understand that we should not pass any legislation?

Secretary WIRTZ. No. If I may, in answer to your question, simply translate into shorter terms what I have in mind, it is that I would hope respectfully that whatever is done or not done on the legislative side, be done quickly, because the two processes are not going to operate effectively at the same time.

Mr. FRIEDEL. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Springer.

Mr. SPRINGER. Mr. Secretary, your statement I think was quite clear but rather long. I want to see if I can get the meat of this, what you have found and how you have summed up this situation. In this I am reading from the airline disputes hearings on the Senate side, and I quote you, I believe.

In general, and before going into detail as fairly as I can, Mr. Chairman and members of the committee, I would sum up this situation in this way.

And this is from the prepared statement:

"First, this strike has, of course, a direct and unquestionably serious impact on the companies involved and on their employees.

"Second, it has caused extensive disruption and inconvenience in air travel and transport generally.

"Third, it has hurt particular businesses in particular areas quite badly.

"Fourth, it has had a marked but not large scale effect on the economy generally.

"Fifth, it has slowed up the postal service significantly.

"Sixth, it has not affected the defense or military effort materially.

"Seventh, there are definite signs of increasing losses, cost, inconvenience and possible dangers."

Does that sum up your situation?

Secretary WIRTZ. It does except for point No. 7 to which I would add just this. That our review as of last night of the situation, which would be 8 days after this previous statement, identifies very little change in the situation, so that as far as increasing cost, loss and inconvenience, possible danger is concerned, all I could say is that those people who were being hurt 10 days ago are being hurt cumulatively 10 days more now. Otherwise, the answer to your question is "Yes."

Mr. SPRINGER. All right, now that sums it up as to what the impact of this dispute is on the country generally.

Secretary WIRTZ. Yes, sir.

Mr. SPRINGER. Now if this situation is as you have referred to it in these seven items, is it the position of yourself and the President that you do not want to recommend legislation?

Secretary WIRTZ. It is the position that we are not—the answer to that question is "Yes," that we are not recommending legislation.

Mr. SPRINGER. All right. Now you will recall that—

Secretary WIRTZ. I want to be sure that the answer does not carry a negative premise about our position at all. It is simply a statement of fact as to a decision, reflecting a decision not to recommend legislation.

Mr. SPRINGER. This, of course, is the question I suppose that would be of dispute. It was my understanding from listening to the debate on this matter in the Senate, that the President did not want any legislation. Now I couldn't come to any other conclusion from what I heard over there.

Secretary WIRTZ. That would not be my understanding of his position.

Mr. SPRINGER. Well, it was stated there by a couple of Senators who had talked with him that he did not want any legislation, he did not want this legislation. I want to be sure that I have stated this carefully. He did not want this legislation.

Secretary WIRTZ. There was colloquy of that kind participated in by Senator Dirksen and corrected the next day in the record with a statement that there had been on the part of Senator Dirksen a misunderstanding, and it is perhaps that to which you refer.

There was also a statement attributed to me at the end of the debate, which carried an implication of one kind or another which is not there. I should like to express what I think is the fact that there has been no expression of position with respect to whether there should or should not be legislation.

Mr. SPRINGER. And that is the official position of this administration?

Secretary WIRTZ. That is correct.

Mr. SPRINGER. All right. Now in January the President sent down a message in which he talked about some kind of permanent legislation in these fields which would broadly affect the public, and I presume this would include transportation and all of those which do affect public service. Now are you familiar with that statement?

Secretary WIRTZ. Yes, sir, I am.

Mr. SPRINGER. To that day, and I am not saying I would even be for it, I am just saying this alone, that thus far the President has not implemented his statement of last January with any recommendation or any legislative proposal that I know about in this Congress; is that true?

Secretary WIRTZ. That is correct.

Mr. SPRINGER. Now can you give us any reasons why he either has not implemented or has not taken a further position?

Secretary WIRTZ. Yes, because I have been very much involved in the matter and very directly involved. It is a practical answer, Mr. Springer.

The Congress has before it—there are two parts to the practical answer—Congress has before it at the present point quite a lot of labor legislation. It has seemed to me personally, and I assume that this has affected the President's view of the matter, that as long as we were considering minimum wage, unemployment insurance, revision of the Employment Service Act, common situs picketing, and in the beginning section 14(b), that until we got some of those things further along toward disposition, it would be a mistake to introduce to the Congress this matter which has a long history of high controversy.

Now the President also has added to that himself recently the statement, quite frank and candid, that this is a matter on which it

has been very hard over the years for any of us to come to agreement, and that there has been a variety of views among us legislatively, administratively, and so forth. I would add and shorten my answer by saying that the combination of the difficulty of the subject and the pendency before the Congress of other difficult labor legislation has led to this result.

Mr. SPRINGER. Mr. Secretary, did you have knowledge of these words at the time? Had this been submitted for any clearance with your Department, this paragraph:

I also intended to ask the Congress to consider measures which without improperly invading State and local authority will enable us effectively to deal with strikes which threaten irreparable damage to the national interest.

Did he clear that with you or did you see this? I don't say he had to get your permission but nevertheless I take it this wouldn't have been said unless the Labor Secretary had certainly looked at that paragraph.

Secretary WIRTZ. I was familiar with the prospect of that paragraph.

Mr. SPRINGER. Now did that have your support?

Secretary WIRTZ. Of course, surely; yes.

Mr. SPRINGER. All right, that is all I wanted to know. Now I would like to turn to another matter if I could, and I want to see if I can get something on the record, because this is awfully important.

It was my understanding that in the negotiations—and you are familiar with all of the negotiations, aren't you—

Secretary WIRTZ. Mr. Reynolds would be.

Mr. SPRINGER. You and the two parties to this dispute.

Secretary WIRTZ. Mr. Reynolds would be more familiar.

Mr. SPRINGER. It was my understanding that the pact which as finally submitted to the Machinists Union was roughly \$79 million, is that approximately correct?

Secretary WIRTZ. No. Our figuring of that is in the \$73 million area, 73 to 74.

Mr. SPRINGER. All right. Now let me ask you if this was not true. That not only did the airlines offer 73, but were willing to go as high as 87?

Secretary WIRTZ. There has been a difficulty which has complicated the figuring in this whole thing, Mr. Springer. The Emergency Board recommendation was originally in terms of a 42-month contract, and the offer to which you refer—not the offer, the figures to which you refer—were the cost figures for a 42-month period.

Mr. SPRINGER. Instead of a 36-month period? That accounts for the \$87 million instead of the \$73 million.

Secretary WIRTZ. It makes the two incomparable.

Mr. SPRINGER. Now then, is the offer which has been made by the companies approximately what I have stated?

Secretary WIRTZ. I think you will have before you company witnesses who could answer that more appropriately. Let's see, if I remember your statement, it was that there was a dollar cost on a carrier offer in the neighborhood of \$86 million, was it?

Mr. SPRINGER. \$87 million.

Secretary WIRTZ. \$87 million for a 42-month period?

Mr. SPRINGER. Yes. Let's check with your assistant.

Secretary WIRTZ. All right.

Mr. REYNOLDS. I think it would be more accurate to say that it was about \$81 million, Mr. Springer.

Mr. SPRINGER. Instead of 87?

Mr. REYNOLDS. Yes.

Mr. SPRINGER. That would cover the 42-month period?

Mr. REYNOLDS. The 42-month period.

Mr. SPRINGER. Instead of a 36-month period.

Mr. REYNOLDS. Yes; and this reflected a willingness of the carriers to improve the benefits which had been recommended by the Emergency Board to a certain extent, that extent being reflected in the difference between approximately \$76 million at which the recommendations were costed-out, and the \$81 million which I have just mentioned.

Mr. SPRINGER. Now let me ask you this: That kind of a recommendation—where does that fit in the President's guidelines of what, 3.4 percent?

Secretary WIRTZ. Did you say the recommendation or the settlement?

Mr. SPRINGER. Well, let's take the settlement. Where does that fit on a percentage basis with the President's 3.2 guidelines?

Secretary WIRTZ. Someplace between—well, approximately 4.2 or 4.3 percent.

Mr. SPRINGER. That is all on a yearly basis?

Secretary WIRTZ. Yes, sir.

Mr. SPRINGER. That would be approximately 13-plus percent for the 3-year period, is that correct?

Secretary WIRTZ. Yes; approximately.

Mr. SPRINGER. Now I think all of us recognize—and I certainly can understand an employee situation, because you have inflation, and you certainly have had some prosperity in the last few years, and I think I know when the airlines went over the hump from practically a situation which was not stable to one where they had relative stability, and with this inflation, naturally employees are going to ask for their share.

Now has there been, on the part of the administration, any efforts to keep this settlement at a certain figure?

Secretary WIRTZ. Yes; there has been very strong, say, emphasis. If I may answer just a little differently: The factor of making as sure as possible that this settlement be in line with the stabilization policies has been a strong factor in the amelioratory efforts of the Government.

Mr. SPRINGER. Where does this enter? Where do you enter into this question of negotiations on a free bargaining basis between management and labor? That is what I am trying to find out, at what point do you enter?

Secretary WIRTZ. We in the Department—

Mr. SPRINGER. You have taken an active part as I understand it in these negotiations.

Secretary WIRTZ. We in the Department of Labor?

Mr. SPRINGER. Yes, sir.

Secretary WIRTZ. Only at that point at which there has been an exhaustion of the regular statutory procedures, so that specifically there was the recommendation by the Emergency Board. There were then some 30 days of negotiating efforts by the National Media-

tion Board. It was only after that period that Mr. Reynolds and I entered at all significantly.

Mr. SPRINGER. Now let me ask you this second point. What part did the CAB take in this, especially the Chairman of the Civil Aeronautics Board?

Secretary WIRTZ. None, so far as I know.

Mr. SPRINGER. Informally?

Secretary WIRTZ. In the negotiations of the matter?

Mr. SPRINGER. Yes, sir.

Secretary WIRTZ. No. As a matter of fact, I guess I haven't even talked to Mr. Murphy about it.

Mr. SPRINGER. Didn't he take an active part behind the scenes?

Secretary WIRTZ. If he did, Mr. Springer, it is a point on which I would have no knowledge.

Mr. SPRINGER. I understand it on very good authority, Mr. Secretary, that he and some of his people did take an active part, in an effort to keep this figure as low as possible. I am throwing guidelines in with it, but pressure was brought and I think may be the companies would have gone for a little more money than that figure, would they not?

Secretary WIRTZ. That would be a different question which I wouldn't have much hesitancy in answering, because I think the answer is probably yes.

Mr. SPRINGER. Thank you.

Secretary WIRTZ. It is another reflection of the fact that there has been, as I answered your earlier question, a very real consciousness on the part of Government participation here of the desirability of a settlement which was not unstabilizing.

Mr. SPRINGER. Now it is a question as to how far you were going to stretch the guidelines and this is a part—I am not condemning you—

Secretary WIRTZ. I understand.

Mr. SPRINGER. I am trying to get it on the record here as fairly as possible so this committee will know what took place a little behind the scenes, and I am not finding any fault, but I am just wondering about this situation. Word has come to me of the willingness to settle at a different figure, and then the question of whether or not the guidelines were to operate, and how far they were to be stretched and so on. But I think we ought to get this record pretty clear.

Secretary WIRTZ. That was the point, and I am glad you said that, because I noted in my opening statement, Mr. Springer, that one of the elements of crisis in this situation, or whatever the right word for it is, is the importance of the stabilization point in this business. I don't mean to make any reservation at all on that. We have had two problems on our hands, and by "we" I mean we, the Department of Labor; we, the administration; we, the Congress; we, the country; and we, these parties.

Those two problems have been, one, collective bargaining in its traditional sense and, second, the working out of an agreement which at this point does not rob this country or does not contribute to robbing this country of its gains of the last 6 years. I think that has been a very real factor on every side of this table, the relationship of the stabilization effort to this particular dispute, and I affirm that, and it has complicated it.

Mr. SPRINGER. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Macdonald.

Mr. MACDONALD. Thank you, Mr. Chairman. Mr. Secretary, I think my first question I would like to address to Assistant Secretary Reynolds.

In your opinion, sir, have both parties engaged in this collective bargaining done so in good faith within the technical meaning of the word good faith?

Mr. REYNOLDS. Yes. I haven't any hesitancy in answering that question, Mr. Macdonald. I think the parties did address themselves to the problem in good faith. One must remember that they start from different points of the spectrum, attempting to reflect what they consider to be the proper interest of their principals. I think that there was a desire to reach an agreement, but the approach to that accomplishment obviously came from two different philosophies, two different approaches, two different sets of considerations. But I would say that there was good faith bargaining, yes.

Mr. MACDONALD. Then there has been no violation of the Railroad Labor Act or even the Taft-Hartley Act, or anything like that as far as the bargaining is concerned?

Mr. REYNOLDS. No, far from it.

Mr. MACDONALD. There is no violation.

Mr. REYNOLDS. No, far from it, there was a great deal of give and take, restructuring of positions, consideration of alternatives, a sincere desire to find an answer consistent with what each side regarded as the needs of their principals.

Mr. MACDONALD. Thank you. Mr. Secretary, I find it a little puzzling that the administration hasn't given the Congress some guidance in this field, inasmuch as it is not unusual to hear from the administration about their position on other bills. I find it a little unusual that we are not guided by what the administration wants on this bill. Do you have any comment about that?

Secretary WIRTZ. Only, Mr. Macdonald, that there is, of course, a variety of patterns on that, and I should not for a moment question the traditional character of the practice to which you refer.

I tried to suggest in my statement, which was perhaps unfortunately long, that I find here—call it a practical pragmatic application of the separation of powers which impresses me quite a lot, not in classical terms at all—but I tell you this in personal terms, and your question is broader than that, but in personal terms, I don't too much like the idea of a man mediating as part of a free collective bargaining process. I am talking just personally now—

Mr. MACDONALD. Right.

Secretary WIRTZ. And then coming up to the Congress the next day to either recommend or not recommend a change in the rules of that game.

Now the mixing up of the mediation process and the advice of Congress process would, in terms of our two positions here, Mr. Reynolds and mine, be very real. That is why I say this question has become a kind of haunting question at the mediation table. Are you going to go for legislation if we don't do what you say?

I don't like that. But I don't mean to avoid your question, because you asked it in broader terms, and mine is only one illustration of it. There is a variety of practice as to whether the administration does or

does not make a recommendation. It is a deliberate decision here that with respect to this basic question of the balancing of freedoms, arising in the middle of this case in which the Executive is doing and has been doing everything it can to settle it under the existing rules, it is not advisable to enter upon the determination of that part of the issue by the Congress.

Mr. MACDONALD. Turning to a less emotional issue, on page 6 of section 8 of the resolution that came over from the Senate, it directs you to commence immediately a complete study of the operations and adequacies of the emergency labor disputes under the Railroad Labor Act, et cetera.

Secretary WIRTZ. Yes, sir.

Mr. MACDONALD. I would think that you would have been doing that consistently. We had this problem with the railroads in 1963, I think it was 1963 or 1962, and I am sure that we have been doing it. Do you agree that that provision should be in this resolution?

Secretary WIRTZ. I wouldn't have any strong feeling about it. I think there are overtones of rebuke in it, probably. And yet, I don't see it as terribly important one way or another. I would have no objection to it.

If your question were to be answered in the personal terms in which it is put, I have been working on it all my life. It is the toughest nut in the field which has been my present interest for 25 years. But in less personal terms, we worked on it on the President's Labor-Management Advisory Committee, set up by President Kennedy in 1961. We worked on it very extensively for about a year and did bring out a tripartite recommendation which is virtually unanimous, and which is a matter of record.

In answer to your question, sure, we have had it very much before us. This would present no difficulty. I don't know whether it is necessary.

Mr. MACDONALD. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Secretary WIRTZ. It also, if I may, Mr. Macdonald, will illustrate I think, a better way of cooperative participation in the basic issue of this kind, which is to be decided, if we are to advise with respect to this delicate balancing of freedoms which is involved here. Better that we do it that way than in the middle of a dispute in which we are taking a very active part—come up, and do it on short notice.

The CHAIRMAN. Mr. Younger?

Mr. YOUNGER. Thank you, Mr. Chairman.

Mr. Secretary, if we are to believe the stories in the papers that the bargaining was rather dilatory for several days—they didn't meet and then they would meet for an hour. It seems to me that somebody was dragging their feet on one side or the other. Was that true?

Secretary WIRTZ. You could get a better answer from Mr. Reynolds, but it would embarrass him, so let me answer.

It was not true. I read the stories. Some of you came to town, one side or the other—it doesn't matter who it was—and it was announced there had not been any across-the-table bargaining for some time. It is a business which you don't advertise, Mr. Younger, all the meetings which you are holding. I don't know whether the negotiators and the two sides, or whether Mr. Reynolds, would hold up physically during the period of some 3 weeks which were involved

in this. I mean that quite literally. The meetings were extensive. There was no dilatory tactic at any time on one side, and it was opportunism that led to statements of that kind coming out occasionally, and I am sure that the representatives of both parties, when they appear here, will give you the same answer.

I should have answered more shortly. No basis for that suggestion at all.

Mr. YOUNGER. I thought perhaps from what you said before as to the pressures that might have been put on the carriers as to holding the line might have retarded negotiations on their side. In other words, we hear so much here—and I have been told by certain knowledgeable people on this—that the airlines were prepared to make an offer which would have settled the strike a long time ago, if it wasn't for the fact that pressure was placed on them not to exceed the guidelines.

Is there any truth in that?

Secretary WIRTZ. I don't believe so, Mr. Younger. I can answer only for myself, and some of the other questions have opened up a wider area.

Now, if you mean by the question whether the mediators in the conversations with the parties recognized the relevancy of the stabilization principles, that was a factor in this situation, and there could be no question about it. It was a factor in the situation from the moment the union filed its first demands and got its first answer. There has been discussion by the parties, by everybody all the way through here of the relationship of this case to the "guidelines," and so forth. Again I say if the question is whether Mr. Reynolds and I, as mediators representing the Government, had in mind both the Nation's desire for a settlement in this case and the imperative nature of not destroying the economy of the country through inflation, and whether that affected the situation, certainly we did. And if the question is whether there were those thoughts in the carriers' minds, I can only presume that they were there, too.

So I don't mean for a moment to dismiss that part of the matter.

And if the question before the country today or before us today, was whether there would have been an earlier settlement if we were not, in this country and in this administration, acutely conscious of the cost-of-living problem, I think the answer to that would be "yes."

Mr. YOUNGER. Thank you.

Now, where in this legislation is there any protection or solution to the negotiations that are going on, say, with the American Airlines which are now under the Emergency Board action at the present time?

Secretary WIRTZ. I can only assume that that was the intention of the Senate in section 6 on page 5. I think that is it. It would seem to apply to it. I don't mean to making a ruling on it.

Mr. YOUNGER. As I understand it, the airlines would want a correction there, that if, prior to the expiration of the period or periods prescribed, and so forth, not the words "prior to the settlement of the dispute," because the dispute may not be settled for a long time, but the expiration of the period or periods prescribed in section II, they have suggested some wording like that. Have you any comment on that?

Secretary WIRTZ. Not one that I would trust offhand. The problem has not been brought to my attention. I would be glad to consider it.

Mr. YOUNGER. Don't you think that this legislation, if it is passed, ought to be such that it would solve the upcoming problem of the machinists and the other lines, rather than to have to come to Congress again in a few weeks?

Secretary WIRTZ. That again, Mr. Younger, gets into this matter of how advisable it is, during a mediation period, to be bringing the impact of legislation to bear on it. I would be hesitant—I don't have a thing to do at this point, neither does Mr. Reynolds, with the American Airlines-TWU case, not a thing—but I would be very hesitant to answer a question about the desirable effect, the desirable or undesirable effect, of prospective legislation on a case which another administering board is right now trying to handle under the present rules.

It would affect the mediation process quite a lot. It is a kind of variant of the general point I was making. If you will excuse my not answering on that basis, I would be grateful, but it would affect that case substantially, for me to say or for us to say that there should or should not be legislation.

Mr. YOUNGER. I imagine that would be true, Mr. Secretary, and I gather the impression from your testimony that this whole legislation may well affect not only this case but negotiations in other cases in other labor disputes, if we take this turn with this legislation.

Secretary WIRTZ. It will have some effect.

Mr. YOUNGER. Do you know why some 11,000 of the machinists did not vote last Sunday in the election?

Secretary WIRTZ. I don't mean to answer lightly, and you will appreciate it; no, I don't. I don't know why—that was about 25 percent of them, and I don't know why 40 percent of the citizens in this country don't vote when they get a chance. I think the answer is the same, Mr. Younger. They got a higher vote in that election than we can get when we elect the people to run this country, and I agree with you that it is too bad that everybody doesn't exercise his privilege.

But it was a pretty high vote, as things of this kind go. It was a remarkably high vote.

Mr. YOUNGER. Well, it seems to me, Mr. Secretary, that there is a vast difference in somebody going to the polls and voting for Joe Doaks than there is going to the polls and voting for an economic matter that affects their payroll and their livelihood.

Secretary WIRTZ. Mr. Younger. I won't be so presumptuous as to say I don't believe that, and I don't believe most Americans do. I think most Americans feel that the people who represent them in this Congress, in the Presidency, in the House, in the Senate, in the States and in the cities, that the quality of the people who represent them is more important than the difference between \$3.78 and \$3.95, or whatever it may be. I mean this quite honestly, and don't have much reservations about it.

To come back to the point, I can only say to you that in terms—I mean not to move away from your question—I can only say to you that in terms of the traditions of collective bargaining and the ratification, the 70- to 75-percent vote was more than par.

I should add, too, Mr. Reynolds points out, that it was done on about 24 hours' notice.

Mr. YOUNGER. I have heard it around in conversations that the reason why there was not such a great vote—one of the reasons why the vote went the way it did—was the fact that of the premature announcement on the part of the President that the strike had been settled, and that announcement was made before those concerned even had their ballots. Would that have influenced it, do you think?

Secretary WIRTZ. I don't believe so. In fact, I feel quite strongly not. I don't want to give anybody the wrong impression.

Mr. Younger, I resent that vote—I have no right to resent it, it was perfectly legal, but it was a kick in the teeth insofar as a good many of us were concerned, and I don't mean for a moment to defend the results. But it was done right. I don't think the factor to which you refer was a material factor. The hastening of it could conceivably have been, but I think they just didn't find it in those things which they had thought from the beginning they were going to get into one final question.

The CHAIRMAN. Do you believe that the President will sign a bill enacted by the Congress?

Secretary WIRTZ. I don't suppose I am particularly entitled to answer that question, but I am going to. It follows, it seems to me, from what I said before, that if feeling as we do quite strongly, that there is a basic balancing of freedom here which ought to be the congressional responsibility in our understanding of it, I would have not one moment's doubt about the acceptance by the Executive of that determination once made, which means that my answer to your question would be that I would expect to see it.

Mr. YOUNGER. Thank you, Mr. Secretary.

The CHAIRMAN. Mr. Jarman?

Mr. JARMAN. Thank you, Mr. Chairman.

Mr. Secretary, 8 days ago, when you testified before the Senate committee as a part of your statement, there was one sentence:

So I urge that free collective bargaining be given a last clear chance to work.

In the light of developments in the past 7 or 8 days, would your position be the same today?

Secretary WIRTZ. The last clear chance to which I referred was given. It worked to the extent that there was an agreement. It was not ratified.

Your question was whether I make a similar recommendation today. I do not. You see, I was urging upon the Senate committee at that point that they give us time to take another try at it. I am not entitled on the present record to make any similar recommendation.

Mr. JARMAN. In fairness to the one sentence that I took out of your testimony, I should add that the preceding sentence or comment was:

That the public, through the Congress, is entitled to set a deadline on the recognition of either interest here as above those of the parties, if there is a continuing conflict between them.

Secretary WIRTZ. That is right.

Mr. JARMAN. And certainly, the concern that we all have is favoring the collective bargaining process, but the question is how long can we wait for a decision on an issue that was of such definite concern and interest to all the people of this country?

Secretary WIRTZ. You will find here another reflection. The point that I know is difficult, I don't think it is so difficult as has been

made publicly, but I was saying there, our executive job is to try to settle this thing under the present rules by collective bargaining. Give us one more chance. We think it will work. If it doesn't, then there is a public decision to be made in broader terms about the balancing of freedom.

Mr. JARMAN. Would you agree that at the present time a deadline on that collective bargaining can only effectively be set by legislation?

Secretary WIRTZ. If I could put it a little differently, the situation as to whether there is or is not to be a deadline can only be done by legislation; yes, sir.

Mr. JARMAN. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Devine?

Mr. DEVINE. Thank you, Mr. Chairman.

First, Mr. Secretary, I think that Mr. Reynolds is certainly deserving of public acknowledgment and tribute for his very commendable service during this long and trying time. Getting to you, specifically, I think you have concluded, or at least the administration has concluded, that there is no national emergency on the basis of the national defense, health, and safety being involved.

Secretary WIRTZ. On the basis that there is not a health and safety or a health and defense emergency.

Mr. DEVINE. I think you described this overall situation as extraordinary, regrettable, inconvenience or interference with the convenience of the public, business and the mail. I see where Senator Morse in his testimony or in his statement before the Senate, said:

Unless legislation which orders the men back to work is passed, they are not going back to work.

Would you agree with that statement?

Secretary WIRTZ. I am not sure of the context, Mr. Devine. They will go back upon the reaching of an agreement which is ratified. I don't understand the context.

Mr. DEVINE. Well, he said:

In my judgment, unless legislation which orders the men back to work is passed, they are not going back to work.

You have been close to this picture. Did you have a judgment or an opinion on that?

Secretary WIRTZ. I think they will not go back to work unless one of two things happens: One, the enactment of legislation of the kind that is here considered; or, two, the reaching of an agreement which is ratified.

There is a third possibility, and it may be that to which the Senator referred. There is a provision in the constitution of the machinists which permits a return-to-work order by the executive council, and if his reference was to that, I would agree that that is not a reasonable prospect.

Mr. DEVINE. He said that unless some action is taken that the carriers would be forced to capitulate and then he goes on and says this:

This would create an inflationary tornado that such a settlement not be in the interest of the economics of America. The case will be a bellwether case followed by every major industrial union in the country.

That is to say, that unless something happens here, the five major carriers are going to probably accede to the demands of the union,

which will set a dangerous precedent for all the other unions in the country in guidelines and everything else.

Would you today agree with the statement of the Senator?

Secretary WIRTZ. Again, I think you will appreciate the fact that the prospect of further negotiating responsibility or mediation responsibility in this case would make that a very difficult question to answer. I can answer it this way, that if this case were settled on the basis of the original union demands, it would have a very, very broad effect upon the stabilization policy and the future. But to comment upon a prospective narrowing of that margin makes it pretty difficult.

Mr. DEVINE. What is particularly difficult for me to understand and, of course, you are speaking for the President, you are not asking for legislation, you are not opposing legislation, yet there is no negotiating going on. Now, if we don't do something, what is going to happen?

Secretary WIRTZ. My point was that there is no meaningful negotiation going on during the period of legislative consideration. If this decision, if the legislative decision, were made one way or the other today, there would be a renewal of meaningful negotiations tomorrow, and at whatever point this decision is made, one way or the other by the Congress of the issue before it, there will immediately be a resumption of meaningful negotiation.

Mr. FRIEDEL. Will the gentleman yield?

Mr. DEVINE. Yes, I yield.

Mr. FRIEDEL. Is there any possibility of getting the airlines and the labor groups to start immediate negotiations?

Secretary WIRTZ. Meaningful?

Mr. FRIEDEL. Yes.

Secretary WIRTZ. While this is before the Congress?

Mr. FRIEDEL. Yes.

Secretary WIRTZ. In my judgment, and I am sorry to say this flatly, Mr. Friedel, no.

Mr. FRIEDEL. Is there any way that you can issue a call for them to get together today or tomorrow and try to come to some agreement?

Secretary WIRTZ. The call could be issued, but there is a resolution which has been passed in one House and which is before the other, and I can only say that I think the prospect of trying to combine the two processes is very remote. We have a little history on that. You will remember perhaps that in 1963, we tried that through most of a month, a combination of the two, and it didn't work.

Mr. DEVINE. Mr. Secretary, in mentioning the various disadvantages to the Nation as a result of the strike, you mentioned \$150,000 a day, this, that, and the other thing, but one thing you didn't mention which I think is quite important is the fact that the Federal Government is losing considerable tax revenues daily and that the Treasury is losing \$1 million weekly in our balance of payments.

Secretary WIRTZ. Yes.

Mr. DEVINE. Should this also be included in our determinations whether or not this is more than a public inconvenience?

Secretary WIRTZ. The best estimate is that this is costing the Government in taxes about \$14 million, that it has so far in the 4 weeks cost us about \$14 million in taxes.

Mr. DEVINE. In total or daily?

Secretary WIRTZ. That is taxes on the wages that have been lost and that is a monthly figure. We are into it about a month. As far

as the estimate on the balance of payments is concerned, I made a statement. I think that is about—

Mr. DEVINE. About a million dollars a week.

Secretary WIRTZ. That is right.

Mr. DEVINE. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. O'Brien.

Mr. O'BRIEN. Thank you, Mr. Chairman. Mr. Secretary, I understand of course, that the decision in this matter would have to be made by the Congress. I also gathered from your testimony that you personally believe that legislation of the kind that we now have before us might be described as premature, is that correct?

Secretary WIRTZ. No, sir.

Mr. O'BRIEN. You do not believe, from your testimony, that there is at this present moment a grave national emergency?

Secretary WIRTZ. But that could leave the question of whether Congress decided that on this set of facts it wanted to take a position, that there is a balance of these freedoms here which warrants a different rule from the one before, so I did not mean by my testimony to suggest a prematurity of the legislation.

Mr. O'BRIEN. Mr. Secretary, you said several times, you used the phrase "Go for legislation" which would in some way hurt the mediation process. I wonder at what point Congress could avoid the charge of sabotaging the mediation process. How grave would the emergency have to be and how punitive would have to be the loss to the committee, the Government, and so forth.

Secretary WIRTZ. I respect the point, and would feel that there was no impropriety whatsoever about the Congress moving in this situation to a rapid determination one way or the other. That point, Mr. O'Brien, was only that it complicates the role of the mediator and of the Executive to participate in that discussion. But I have no question about the propriety of congressional consideration of it.

Mr. O'BRIEN. I understand. Is it not true that Congress, despite so much questioning by individual members did not enter into this picture with any indication that it would pass legislation, until after prolonged negotiations?

Secretary WIRTZ. That is right.

Mr. O'BRIEN. And the submission of a package which you and others who participated in its arrangement believed to be fair?

Secretary WIRTZ. Well, the consideration in the Senate had preceded the making of that agreement, and I had asked for the 24 hours and we got it, but I would answer your question this way. I have not the slightest feeling of congressional—of too much congressional speed in this matter. The country's interests have been strong and acute for quite a while now. I have full respect for the timing. There has been no interference.

Mr. O'BRIEN. Now let me ask this question—

Secretary WIRTZ. May I just check that. There has been no interference. I have said repeatedly while consideration goes on in the Congress it is very hard to get anything done.

Mr. O'BRIEN. I do not know whether you can answer this question or not. If we were to reject this or similar legislation, what do you think the prospects would be for the companies agreeing to the larger package obviously demanded by the vote of the machinists?

Secretary WIRTZ. The only one honest answer to that is I do not know. I just do not know.

Mr. O'BRIEN. It could take a long period of time, is that possible?

Secretary WIRTZ. Yes. I do not know how to estimate either the time or the terms of a settlement which will come at the point of actual bargaining.

Mr. O'BRIEN. Mr. Springer referred to the statement in point No. 7 before the Senate, and disregarding loss, cost, and inconvenience, there was the phrase "possible danger."

Secretary WIRTZ. Yes.

Mr. O'BRIEN. And I very much concerned about that. Did that mean perhaps the load imposed upon the other carriers attempting to take up the slack? I understood you to say about one-third or a little better than one-third of the 150,000 passengers are now being taken care of by other airlines. Are they pushing their craft to a point to accommodate the public in this respect where there is a danger to the flying public?

Secretary WIRTZ. That is a very sensitive point, one on which the FAA would exercise an ultimate judgment. You will recognize these elements of reluctance in my answer. I do not want on the one hand to suggest that there is today a danger in flying the aircraft that are available. I do not want on the other hand to assume a responsibility for saying to this committee that there is none of that factor there. That difficulty sort of haunts this testimony. It is a fair question.

I think the situation is this. With respect to the pilots, there are definite time, hour limits per month, which are prescribed by the FAA. There are collective bargaining limits which are even lower. The FAA limits are not being exceeded. There has been no permission for any pilot to fly longer than the FAA prescribes. There has been some change in the bargaining agreements.

As far as the load on the maintenance people of the other airlines is concerned, my own best personal assumption is that no risk whatsoever is being taken or encountered. I recognize the elements of human fatigue, that as a generality enters into any situation in which a person is working 7 days a week where he or she normally works 5. That is as helpful as I can be.

Mr. O'BRIEN. We are glad to have that reassurance, Mr. Secretary. I think that when the phrase "possible danger" was used, that to my mind would be a very overriding consideration, perhaps more so than cost and inconvenience.

Secretary WIRTZ. It surely would.

Mr. O'BRIEN. Thank you very much.

Mr. FRIEDEL. Mr. Nelsen.

Mr. NELSEN. Thank you, Mr. Chairman. Mr. Secretary, the Senate I believe, had two different versions, one which would put the responsibility of going back to work on the back of the President, and the other, since this is a labor committee bill, the Morse bill I think provides that the Congress, by the language of the bill, will order them back in 30 days. Now would you care to express a preference of the two approaches?

Secretary WIRTZ. There were three suggestions originally before the Senate. A third one was in the form of a proposed joint resolution for compulsory arbitration. I expressed an unqualified judgment there of opposition, the same view was reflected later in the vote;

This was original then, and comes to your question, a proposal by Senator Morse for a single 180-day period, which would be triggered by legislative action. There was before the Senate committee two other provisions which would have provided in one way or another for triggering of this matter by Presidential action. Senate Joint Resolution 186 represents a kind of merger of those second two points, of those last two possibilities.

You asked what my preference would be. It would have been, and was expressed there, as in its original form, the Morse resolution if there was to be a statute, a choice between those three.

With respect to a compromising of those points reflected in Senate Joint Resolution 186, it does seem to me that if there is to be a bill, this represents a workable amalgamation of the factors in those two which were before the Senate.

Mr. NELSEN. In other words, the preference would be that the Congress write the directive rather than to put it right on the President's back.

Secretary WIRTZ. I thought of it in different terms, but I realize that the discussion of the whole thing has been in terms of political hot potatoes and so on and so forth. I am not either above application or I hope beneath it. I am certainly interested in them. I thought of it in terms of how best to get a dispute settled, frankly because that is my business.

Mr. NELSEN. Yes.

Secretary WIRTZ. And it seemed to me that the best way to do it, if it was to be done, was simply to make a finding and to say, all right, on these facts the country cannot take this, and go ahead and mediate it or not. And so therefore I supported as among the various possibilities the mediators' resolution.

What you have got in Senate Joint Resolution 186 does involve so many of both of those factors.

Mr. NELSEN. I am sure you would agree that the Congress cannot dispose of their responsibilities either. Now I would like to ask you the question about the guidelines on the wage increase. Is the guideline that the President has attempted to hold, based on the salary only that they are presently getting as compared to the increase?

Secretary WIRTZ. The salary and the fringes.

Mr. NELSEN. There have been statements made to the effect that this particular group in this particular service had not been on a comparative basis with others in industry that are doing similar jobs. I just wondered, is there anything to that statement? Has that been investigated, and is it true or is it not true?

Secretary WIRTZ. It represents, Congressman, one of the real difficulties in applying the guidelines or the stabilization principles to collective bargaining because the short answer to your question is that the guidelines as stated take no account of those comparisons.

They compare the existing rates with the requested future rates, and as your question properly points out, there are some traditions of collective bargaining that are not included in that comparison, or which go beyond that comparison. But in short, the guidelines as stated do not provide for that comparison, except in cases where the difference is so large that it makes it impossible to attract people to the industry. I would make an exception there.

Mr. NELSEN. I have this in mind. I had watched a television program where an observation was made that these people have gone through the tough years, recognizing that their employer was in some difficulty, and as a result were behind the average. Now I have made no comparison, and I do not know, but I think that this is a factor that probably should be taken into account.

Earlier you said the President is not recommending any legislation, and you also indicated that during the time that legislation is being considered, negotiations are at a standstill. I am sure that is true, but I also recall an editorial, I think in one of the Washington papers recently, pointing out that actually the real stumbling block in the settling of this affair was the fact that the proposal of the airlines and the demands of the unions were both above the guidelines, and, therefore, the real stumbling block was the executive department through these guidelines that have been issued.

Now in that event, it seems to me negotiations would be at a standstill by virtue of the executive intervention as much as it would be because of the congressional intervention, and I just wonder how can we get it settled, if every time there is a dispute, we get into it one way or another?

Secretary WIRTZ. No. I think the record perhaps answers that, Mr. Nelsen. The Emergency Board found an answer, the Presidential Emergency Board found an answer which it considered to be consistent, and so did I, with the guideline principles and with the collective bargaining considerations.

Then we met and the representatives of both parties, the president of the union, the vice presidents of the union, and the representatives of the companies, found an answer which they felt was consistent with their interests and which we felt was consistent with the stabilization interests. So twice that answer has been found. The membership turned it down the last time. It will be found again some place along the line.

Mr. NELSEN. Has the result of agreement been made public?

Secretary WIRTZ. The terms of it?

Mr. NELSEN. Yes.

Secretary WIRTZ. Yes, sir.

Mr. NELSEN. Now I might mention this, that in my judgment some of the actions that we take here legislatively, and by virtue of even Presidential recommendations, did not follow those guidelines of increases. For example, the OEO increases in salaries, the very lowest was a 50-percent increase over the salaries that they were drawing, and the highest was a 400-percent increase.

I realize this is not a factor that you deal with, but I do believe that recommendations that do come from the Executive down to us in the way of increases all across the board have contributed to the inflationary trend that makes it very difficult for many people of low income, and, therefore, the salary is very important, and I would not want to embarrass the Secretary with any further discussion of this, but this is the point that I would like to make as a Member of the Congress. I thank the Secretary for his usual fine presentation, and I see that he is a bit weary at this point, which I can understand.

Secretary WIRTZ. Could I have 30 seconds to relieve myself of that embarrassment, just by pointing out that the President's action with respect to the pay business has been 3.2 on the head, and that he

vetoed last week Congress action in passing the star route contract bill, because it had an escalator clause in it. I feel better. Thank you.

Mr. NELSEN. I won't ask for rebuttal on that.

The CHAIRMAN. Mr. Moss.

Mr. MOSS. Mr. Secretary, the membership of the machinists union rejected the proposal overwhelmingly.

Secretary WIRTZ. Three to one.

Mr. MOSS. Do you have or have you made any adjustment as to the reasons or the points which brought about that rejection?

Secretary WIRTZ. I have my own guesses which I would be glad to give you.

Mr. MOSS. I think it would be very helpful if we could have the benefit of a definition of the issues which appear to bring about the refusal to concur on the part of the membership.

Secretary WIRTZ. I think there were these factors, and the principal one was just that there were demands, money demands, vacation demands of one kind or another, which they had expected and which had not been met. That was one factor, just a simple ordinary factor.

A second, and I don't mean to tread on somebody else's ground, but I think it is pretty clear there has developed in machinist's unions, within the last 2 or 3 years, a practice of nonratification of the first agreement which is brought to the membership to such an extent that it would be dishonest for me to leave it out of my answer to your question.

We went through four or five such rounds in the Olin case in Illinois, and two or three such rounds in McDonnell Aircraft just this year, so that is surely a factor that could not be disregarded, just the developing practice of turning down the first thing that is presented.

Then I think that there is also, and this is reflected in some of the questions that have come up here, a feeling all the way along about whether there was or was not to be a busting of the stabilization policies accomplished here, and I think that there was unquestionably in the minds of some of the people who voted on it, as reflected in the public statements I have seen by them, a feeling that they were going to reject this because they thought that it was too much in line with the stabilization policies.

There would be those several factors. I would add a fourth one which has been suggested here, to do all of that in 48 hours may or may not have left a problem of adequate communication. Those would be the principal ones that come to my mind.

Mr. MOSS. You of course are faced with the national wage-setting policy, and yet the employees of the airlines are concentrated primarily in major metropolitan areas around the Nation. Is that accurate?

Secretary WIRTZ. Yes, sir.

Mr. MOSS. With the competition in the labor markets between those metropolitan areas, undoubtedly there have been settlements made in wage rates by persons of equal skill. How rigidly have those settlements adhered to the guidelines?

Secretary WIRTZ. I don't know offhand. Mr. Reynolds may be able to supply that.

Mr. REYNOLDS. Well, Mr. Congressman, many of those settlements have been in industries and in areas which don't come to the attention of the Federal Government. This is a situation where the Railroad Labor Act placed a spotlight of public attention, of national

attention on the dialog. In your own State of California, there have been many settlements in the metropolitan areas of San Francisco and Los Angeles, which have been a source of grave concern to those of us who are concerned with a noninflationary economy.

And certainly they had an effect on the judgment of the men who are going to vote on this package, which was a generous, honorable, fine package, negotiated without force from any source by the leaders of this union and the leaders of this industry.

When it came to a vote, and in large measure out in your State, many of these men undoubtedly compared their rates with those being received by bus mechanics in Los Angeles, longshoremen in San Francisco, and they thought that they were being left out, being left out of the business of abundance in this land.

I think that this is a reflection too of the fact that most of us are all for price and wage control for the other fellow, but not for ourselves, and I think that was a factor. But those settlements to which you refer were settlements which just don't come within the ambit of the Federal influence by encouragement or exhortation. They are settlements made on the local level, but they have their very serious impact when it comes to a vote of a national character such as this.

Mr. Moss. Don't they also have a very serious impact on the localized inflation?

Mr. REYNOLDS. They most certainly do.

Mr. Moss. And if these individual employees are living in those areas affected by their localized inflation, they are faced with specific or peculiar problems for their area, are they not?

Mr. REYNOLDS. They certainly are. Indeed they are.

Mr. Moss. And so one of the underlying problems here is that there is great disparity between the wage patterns across the Nation, and here we are attempting to achieve a single national wage standard.

Mr. REYNOLDS. I think that is a valid observation. I am sure that some of the men in some of the small towns and small stations where these airlines render service, would have thought that this was a very desirable package.

In fact, there are a number of cases in small areas where there was an overwhelming affirmative vote, because the economy in those communities was gaited to the type of package which this union had fought for and had gotten for its people. But when you got into the big abrasive climate of metropolitan areas, the situation was quite different.

Mr. Moss. I believe that just very recently on the coast we had a settlement of a Greyhound strike. Did it breach the guidelines?

Mr. REYNOLDS. I am afraid it did.

Mr. Moss. What effect upon those guidelines has been the action of all major steel producing companies in the last 48 hours?

Secretary WIRTZ. My answer, Mr. Moss, would be that the rejection by the machinists' membership of agreement which had been reached, and the action of the steel companies, brought together, has created a threat to the future stabilization program of the country, which requires the country's most serious attention.

That the two probably, as by your question they are linked together, give this country reason for very serious pause as to how we should best meet this situation; and that as Mr. Reynolds has just said, it is unfortunate that we all seem to be for wage and price restraints, for everybody except ourselves.

I think the combination of these two things requires the country to face very squarely the matter of how we are—not whether—but how, consistently with our principles of voluntarism, we are to avoid inflation.

Mr. Moss. Do you believe that we can, with the pressures now on the economy as a result of a very substantial war effort, achieve those objectives voluntarily?

Secretary WIRTZ. Yes; I believe we can. I think that answer lies in how much responsibility there is in the minds of how large a percentage of the American people. I also think the answer is less clear than it was a week ago.

I answer in quite considerate terms, but I think that there is—when it is pointed out that there is that sufficient responsibility, despite these two unfortunate developments, which will permit the working out—continued working out of voluntary restraints, but it calls for more than the country has been giving it recently.

Mr. Moss. You indicated that you feel that the fact of legislative intervention, or the threat of legislation intervention, has had a definite impact, an adverse impact on the bargaining table, and have urged that the matter be disposed of rapidly by the Congress. Would you define rapidly as being without our, each of us here on this committee, familiarizing ourselves thoroughly with the details of the controversy in this current strike?

Secretary WIRTZ. No, sir.

Mr. Moss. Thank you. Oh, one other thing. Mr. Secretary I believe I suggested to the chairman about a week ago that he seek from the Department of Labor certain statistical data on wage increases in certain fields of activity around the Nation. Has that information been compiled?

The CHAIRMAN. The question you asked me was the prevailing rates of wages being paid in certain industries.

Mr. Moss. Yes.

The CHAIRMAN. I have asked my secretary to contact your group, and see about getting this.

Mr. REYNOLDS. We will be responsive immediately, Mr. Chairman and Mr. Moss, to any inquiries such as that. We have those figures readily available.

(The information requested appears on p. 76.)

Mr. Moss. I would like to have an opportunity to study those figures. Thank you very much.

The CHAIRMAN. I am interested especially in plumbers, electricians, sheetmetal workers in the country, and other industries.

Mr. WILLIAMS. Mr. Chairman, a parliamentary inquiry. How long does the committee intend to sit while the House is in session?

The CHAIRMAN. I had hoped until a quorum is called, if there is no objection.

Mr. WILLIAMS. Mr. Chairman, I regret the necessity of doing what I am going to have to do, because I realize the need for expediting consideration of this most important matter. However, Mr. Chairman, we have a matter here which, according to the Secretary's statement, affects a very small percentage of the American people. Under consideration on the House floor today is legislation which affects the lives, the future, and the welfare of 190 million American people; so under the circumstances, Mr. Chairman, I am constrained to raise a point of order that the House is in session.

Mr. DINGELL. Will you wait one moment to let me make a request of the chairman?

Mr. WILLIAMS. Surely.

Mr. DINGELL. Mr. Chairman, under the circumstances that the committee operates, I think that it will be extremely helpful for the committee to have available to it the transcript of this morning, of this morning's discussion, at the earliest possible moment. I hope you will consider this and the other matters that properly affect the determination of the issues now before the committee.

The CHAIRMAN. I think the request of the gentleman from Michigan can be met.

Mr. WATSON. Mr. Chairman.

Mr. CHAIRMAN. Yes.

Mr. WATSON. Will the gentleman defer for just one brief statement?

Mr. WILLIAMS. Surely. I am withholding it temporarily.

Mr. WATSON. It has concerned me, Mr. Secretary, that apparently you take the position that there can be no meaningful bargaining so long as this matter is under consideration by Congress. I understand the Senate has already passed the measure and it is now before us, so apparently the Congress is going to face up to its responsibility. But I would only make this comment:

That I would be hopeful over the weekend, if those at the bargaining table believe in the efficacy of collective bargaining, that they would not use the fact that Congress is considering this as a means of escaping their responsibilities, but they would try to face up to responsibilities and make collective bargaining be effective and try to work out something if they really want to protect that particular right.

Secretary WIRTZ. I would welcome such an expression, Mr. Watson. And, Mr. Chairman, if that is the sense of the whole committee, I should be glad to communicate it, because I expected it.

The CHAIRMAN. I was about to make almost a similar request. Because objection has come from the gentleman from Mississippi, this committee will stand adjourned now. But I would like to make this statement before we close.

It is partly in answer to what Mr. Moss said. That the other day on the floor, one of the Members came to me and he said, "You are getting to be known as one of the most deliberative committees in Congress," because we have had some very hard legislation before us to consider. I said, "Well, I don't know whether that is a compliment or not." But I have always thought that since every member on this committee represents a segment of America, everyone should have his say and also should have the right to question. I think this is as important an issue as will come before us, and I insist that every member of this committee will have the right to question whoever the witness might be, and to make his statement, because his people are just as important as those from any other part of the country.

I don't care where they come from. So with that understanding we are going to go ahead with all deliberate speed. We hope that when we adjourn today, Mr. Secretary, that you and your assistant, or you especially, can be back here tomorrow?

Secretary WIRTZ. Surely.

The CHAIRMAN. We intend to continue tomorrow, and we hope that tomorrow we can finish questioning you, and that we can get the

other statements here, and maybe get to some meaningful questions or maybe get to the heart of the thing, that we can be helpful to collective bargaining.

But I, too, want to express, before we adjourn, that something be done in order to make collective bargaining possible, because as I said in my opening statement, if this committee has to come to a conclusion, it is not only going to affect the airlines and their employees but every collective bargaining agreement in America and every home in this land in the future.

Secretary WIRTZ. I only express the hope that I can get to the church on time tomorrow.

The CHAIRMAN. The committee will stand adjourned until 10 o'clock tomorrow morning.

(Whereupon the committee was adjourned until 10 o'clock, Saturday, August 6, 1966.)

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AIRLINE LABOR DISPUTE

SATURDAY, AUGUST 6, 1966

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The committee met, pursuant to recess, at 10 a.m., in room 2123, Rayburn House Office Building, Hon. Harley O. Staggers (chairman) presiding.

The CHAIRMAN. The committee will come to order.

We are trying to expedite these hearings as rapidly as possible, and I am surprised and concerned that there are some who have said that we are not trying to do just that. But I made a statement when we opened these hearings, that this is one of the great committees of the Congress of the United States. It has more business before it I expect than any other committee on either side of the Capitol, and I think that it is concerned with more problems that go into the American home than any other committee, and our job and our responsibility is to consider every piece of legislation that affects this Nation, not hurriedly, but as well and as carefully as we can, and come up with a solution, the best solution that we can after the 33 members deliberate and consider the facts that have been brought before us. If we do less than that in this current situation before us, we will be derelict in our duty, and we intend to fulfill our obligation. I think it is that important to the American people.

We do intend to expedite. I had hopes that by Monday or Tuesday we could do something in the committee, and I again want to urge the unions and management to get together over this weekend if they can, and they should, because they both represent a great segment of the American people and industry. They are reasonable people.

I would like to say to both of them, there are no winners in this bill at all. Some might think they are winners but they are not. The enactment of this bill will set back the recommendations of collective bargaining and many other factors at least 50 to 100 years.

Again I want to say that I am hopeful that over this weekend something will be worked out, but if it is not, this committee will take action on the business that is before us and we are going to expedite it as rapidly as we can in an orderly way, regardless of pressures from inside. It will be an orderly procedure.

When we adjourned yesterday, the gentleman from Minnesota was about to question our Secretary of Labor, Mr. Wirtz. We are happy to have you back with us again. We are sorry that we do have to have you here, but this is the business of the Congress.

**STATEMENT OF HON. W. WILLARD WIRTZ, SECRETARY OF LABOR;
ACCOMPANIED BY JAMES J. REYNOLDS, ASSISTANT SECRETARY,
DEPARTMENT OF LABOR—Resumed**

Secretary WIRTZ. Mr. Chairman, may I say this. First, to express my great respect for what you have just said about the business, the importance of the business before the committee, and to make it very clear that any lighthearted comments of mine yesterday should not be misinterpreted. I am at this committee's disposal indefinitely and for whatever period of time today would in any way contribute to the work of the committee, and I mean this, of course, very sincerely. I want to be here just as long as I can be of help to this committee, and expect to be.

The CHAIRMAN. Mr. Secretary, I think every member of this committee knows that. We know your dedication to your job and what you are trying to do and I know of no one on this committee who would misinterpret it.

Secretary WIRTZ. I just want to make it plain I am here indefinitely.

The CHAIRMAN. Fine. I just wanted to say a little bit more as to what we are doing here. The hearings in the Senate started on July 27 and a bill was reported on August 4. We hope to do that well or better, and there are more members here, and I am certain that they are going to go into it as fully and yet to expedite this business as quickly as we can, and that is the aim of this committee.

Mr. Keith of Massachusetts is the next man in order. Mr. Keith, you are recognized.

Mr. KEITH. Thank you, Mr. Chairman. Mr. Secretary, I am concerned that we are now here establishing a policy that will be a basis for approaching similar problems in other industries and all we are really doing is saying that the Congress finds there is a threat to interstate commerce, to agree that it deprives a section of the country of transportation services, and that these services must be maintained, and that other procedures for resolving these disputes haven't been successful. That is about what we are saying.

It seems to me that as you have termed it, it is more of a national inconvenience than a national emergency, but it is very likely that in the transportation industry we could be faced with real emergencies of a nationwide nature, and we should be laying the groundwork for the resolution of that kind of problem.

Would you comment on what industries other than the transportation industry might, when disrupted, constitute a national emergency? May I ask you specifically with reference to some of the strikes that we have had recently. What about the New York City transit strike? Would you feel that national legislation in order to attack this problem would be in order?

Secretary WIRTZ. If I may set the specific answer in a little broader context, it is first very clear and very important, Mr. Keith, that most of the problems which we have encountered and which we have characterized in terms of emergency disputes of the past 20 years, most of them have been in the transportation industry, one branch of it or another. This is true both with respect to those cases which have come up under the Railway Labor Act and those which have come up under the Taft-Hartley Act.

If you add to the railroads, the airlines, the shipping transport under the Taft-Hartley Act, and the longshoring operations, you have a very large part of what have constituted the emergency problems of the last several years.

Now with respect to your specific question about cases such as the New York City transit strike, that fits into that same pattern, except that there is a special and additional difficulty here, and that is that it involved a local—using that in its political sense—situation, a situation in which the unit involved was a local governmental unit.

In approaching and in reaching eventually the closest we can come to a final answer to your question, I am sure we will have to take both of these factors into account, namely, the concentration of these problems in the transportation industry, and second, the development of it in certain local situations in which the transport is owned or operated by a local government entity.

Now in the present Taft-Hartley Act, there is a specific exception of situations like the New York transit situation. It is not covered by what becomes virtually a specific exception. I think it will be a very hard problem for us to resolve when we face up to it, but face up to it I think we should, as to whether in a case of that kind there should be, indeed whether there can be constitutionally Federal control over a situation of that kind. It presents serious questions.

I may illustrate the constitutional question I have in mind this way, without professing to give a legal opinion, because it is too involved a question. I assume that if there should be a local labor dispute in the sense that it involves employees of a local government, which some way threatened the national welfare in time of war, for example, we would all recognize the necessity of the exercise of that central Federal authority.

On the other hand, if the answer to the problem here involves a determination of what the wages of a local government employee should be, a determination by the Federal Government, we would run into very serious problems. I cannot come to a neat answer to your question at this time. I can suggest that I think as a personal matter at this time that there would be substantial consensus for the proposition that where there is a local dispute in terms of local government employees being involved, we will almost have to be dependent upon local answers and local resources, except in the most extreme cases.

Mr. Moss. Mr. Chairman, I wonder if the gentleman from Massachusetts would yield very briefly to me to introduce to the committee a group.

(Off the record.)

Mr. KEITH. Mr. Secretary, my time is somewhat limited.

Secretary WIRTZ. I am sorry about the length of my answer.

Mr. KEITH. I appreciate the philosophy, but I spent last night reading the bill, the Senate hearings, and the Bonner bill 3 years ago on the hearings in connection with that. I am going to ask some yes-or-no, very short questions, if I may.

Secretary WIRTZ. All right, sir.

Mr. KEITH. In speaking of other industries, it has been suggested that if the press were shut down it would constitute a national emergency, or the radio, or perhaps the TV industry. Can you visualize any circumstances under which these could become subjected to legislation of the sort that we are contemplating?

Secretary WIRTZ. If it were in a particular community, I could not envisage that result.

Mr. KEITH. May we imply that if it was a nationwide network, even though there are two or three of them, that you could?

Secretary WIRTZ. I hadn't thought through the possibility of a shutdown of all of the television networks—television and radio. I wouldn't know the answer to that.

Mr. KEITH. Is there one union that bargains for all the employees?

Secretary WIRTZ. No, sir.

Mr. KEITH. If there were it would constitute a very serious threat, would it not?

Secretary WIRTZ. Yes, it would constitute a threat to the vital factor of knowledge and information on the part of the public.

Mr. KEITH. Now one difficult question. If you were a member of this union that is the subject of this particular dispute, would you return to work under these conditions?

Secretary WIRTZ. Under which conditions? Under the statutory—

Mr. KEITH. If this legislation were passed.

Secretary WIRTZ. Would I return to work if this legislation were passed? I would, and I would expect to perform to the fullest of my capacity my obligations, and further, Mr. Keith, I think it is fair to expect that every member of this union would do the same thing.

Mr. KEITH. In other words, you are saying that a national inconvenience as contrasted with a national emergency is sufficient cause for the Congress to direct members of a union to return to work?

Secretary WIRTZ. Oh, no. I was expressing only a respect for law, which I think is shared by everybody in the country. I obey some laws with which I might disagree.

Mr. KEITH. But the law gives you an out here. It says that:

No court shall compel the performance by any individual of such labor or service without his consent.

Secretary WIRTZ. I would recognize the constitutional right of anybody to resign from any position he holds, at any time. But I thought your question had reference to whether I would obey the law.

Mr. KEITH. It did.

Secretary WIRTZ. And whether I would obey it in good conscience, and I would.

The CHAIRMAN. The gentleman's time is up.

Mr. KEITH. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Dingell.

Mr. DINGELL. Thank you, Mr. Chairman. Mr. Chairman, before I begin discussing this legislation with the distinguished Secretary of Labor, I would like to note that I am entirely in accord with you and your comments that this committee is one of the most able in the Congress, and also that this committee does not intend to be stampeded into a hasty or improper consideration of the problem before us. I want to make it very clear that on matters of great national issue and of great national importance to this country, that this committee wishes to bring to the subject the full wisdom of its members and leaders, and also the patience with which it has ap-

proached these problems. I think it should be very clear to anyone that the way in which this committee handled the railroad strike of a few years ago makes it plain that this committee can in its deliberation of these matters arrive at an appropriate conclusion, one which is clearly in the public interest.

Mr. Secretary, I would like to ask you about the administration's guidelines before I begin discussing other points. Are these guidelines written down, Mr. Secretary?

Secretary WIRTZ. The principles of the guidelines have been written down in the annual reports of the Council of Economic Advisers over the last 5 years.

Mr. DINGELL. Have they ever been succinctly stated at any one time so that they could serve as a clear national yardstick on the question of raises in prices and raises in wages?

Secretary WIRTZ. They have been in terms of what should be the performance of the economy as a whole. There is a popular misconception of their being written out in terms of rules covering specific cases. There is not the second. There is the first.

Mr. DINGELL. In other words, in our consideration of this matter, to arrive at a determination of whether or not the guidelines are being observed or not observed, we would have to read 5 years' reports of the Council of Economic Advisers. Is that what you are telling us?

Secretary WIRTZ. No. I am saying even if we did read the 5 years' reports we would find statements of economic principles governing the operation of the economy as a whole, and we would not find rules which are in a form so as to be applied to particular cases. We would find principles to be followed in the particular cases.

Mr. DINGELL. Have these principles to which you allude ever been collected in one volume or placed in one point so that they can be used as a rather clear reference and guide for resolution of labor disputes and the question involved in raising prices of major national commodities?

Secretary WIRTZ. I don't believe, Mr. Dingell, that there is any question about their being collected in a single place. They are in a single place. The difference is rather between the statement of principles and the spelling out of rules for particular cases. The statement of principles is clear in each of the volumes of the Council's report. The specifics of rules for particular cases does not exist.

Mr. DINGELL. I think you are mistaking entirely the purpose of my question. I have a very limited time in which to ask questions, but I want to make very clear I am not asking you if you have a set of rules that cover every set of circumstances that this country faces. I am asking you if you have written down in any one point, in all the vast papers that are issued by this Government, a clear statement of those guidelines?

Secretary WIRTZ. Yes, sir.

Mr. DINGELL. Would you submit that then to this committee?

Secretary WIRTZ. Yes, sir.

Mr. DINGELL. So that we may have it.

Secretary WIRTZ. It will be the most recent report and the whole series. In answer to your question, it would be the most recent report of the Council of Economic Advisers, issued in January of this year. (The information requested, when supplied, will be found in the committee files.)

Mr. WILLIAMS. Will the gentleman yield?

Mr. DINGELL. I will be happy to yield to the gentleman, but I have a very limited time.

Mr. WILLIAMS. I want to identify something. You say that the guidelines are included in the January 1966 Economic Report?

Secretary WIRTZ. That is correct.

Mr. WILLIAMS. And I believe it is included in the hearings before the Joint Economic Committee of the Congress, part II. I believe it is in your prepared statement which appears on page 282 of those hearings. Are those the guidelines?

Secretary WIRTZ. My statement would not be complete there.

Mr. DINGELL. Now, let me ask you this. Did the settlement which was concluded at the White House the other day successfully comply with the guidelines?

Secretary WIRTZ. It complies with the principles of stabilization which are reflected in the guidelines. It does not follow the precise decimal point application formula known as 3.2.

Mr. DINGELL. It does not?

Secretary WIRTZ. It does not.

Mr. DINGELL. So then it would be fair in saying that that settlement did not comply with the guidelines.

Secretary WIRTZ. I recognize the limitations of time, but it is important and essential to point out again that the guidelines are in the form of a statement of overall results, and it is unfair to the guidelines to insist that the application be in terms of 3.2 to each particular case.

But I don't mean to spar, and I have said before that I think that the application of the guidelines principle was followed in this case. The specific settlement terms for those who would approach them in terms of percentages were 4.3 or 4 here, as compared with 3.2.

Mr. DINGELL. Now, let me go further and ask you this. You have indicated that there is no national emergency.

Secretary WIRTZ. I have not used that phrase.

Mr. DINGELL. There are time limitations.

Secretary WIRTZ. I have not used that phrase, Mr. Dingell.

Mr. DINGELL. I have to ask you can you submit to this committee figures indicating the economic losses to different segments of our economy as a result of the strike?

Secretary WIRTZ. I can on an illustrative basis.

(The information requested, when supplied, will be found in the committee files.)

Mr. DINGELL. I think it would be very useful to have for the record, Mr. Chairman.

I have some other questions. I will have to defer, I guess.

The CHAIRMAN. Mr. Cunningham?

Mr. CUNNINGHAM. Mr. Chairman, Mr. Keith has something he wishes to pursue and I would yield to him.

Mr. KEITH. Thank you.

Going back to the question which we were discussing, suppose an individual does not report to work. Can he be fired?

Secretary WIRTZ. That would depend on the particular collective bargaining agreement, but I think that the answer in general would be "yes."

Mr. KEITH. You mean, during the course of the days following—

Secretary WIRTZ. During the statutory period?

Mr. KEITH. Yes.

Secretary WIRTZ. It would depend on the absentee provision in the collective-bargaining agreement.

Mr. KEITH. That is now in existence?

Secretary WIRTZ. In the individual collective bargaining agreements.

Mr. KEITH. Do these bargaining agreements speak to that point?

Secretary WIRTZ. Yes, they do; and they would provide for the penalties for not reporting for work.

Mr. KEITH. Massachusetts elected a Governor and the country elected a President, a man who said you have no right to strike against the public interest. Calvin Coolidge. It had to do with the police strike in Boston.

It would seem to me that insofar as the transportation industry is concerned, that we might very well have two standards, one for those that are public employees and one for those that are employees of a private corporation.

In your guidelines, do you provide anything with reference to the earnings of the corporation? In other words, if a corporation can afford, because of its earning 10 or 20 percent on its capital, and labor is restricted to 3.4, in effect, you are not setting guidelines in favor of the owners?

Secretary WIRTZ. The answer to the first part of the question is that there is provision, so far as I remember it, about ability to pay in the guidelines.

The second part of the question as to whether they favor one side or the other, I think they do not. They centrally state a relationship between productivity, wages and prices, and I think it is a fair and balanced statement of that relationship.

Mr. KEITH. It would seem to me much more fair on the part of the guidelines to reflect that some corporations, by reason of perhaps a franchise or efficiency, are in a better position to pay a larger salary than another corporation, and that all labor should not get exactly 3.2. It should depend upon the productivity of the corporation as an entity.

Secretary WIRTZ. The guidelines specifically refer to productivity of the Nation as a whole, rather than to productivity in a particular industry, and there has been a good deal of debate about the propriety of that.

Mr. KEITH. That, it would seem to me, would tend to uniform services that a corporation would get from its employees because of standardization of the increase, and would tend to lessen the beneficial aspects, both of management and labor.

Secretary WIRTZ. The point has been made by others.

Mr. KEITH. Thank you very much.

The CHAIRMAN. Mr. Rogers?

Mr. ROGERS of Florida. Thank you, Mr. Chairman.

Mr. Secretary, I have been a little concerned that it seems that the whole basis of this action is whether or not it is a national emergency to affect the health and national defense of the country. This isn't really the basis of the Railroad Labor Act at all, is it?

Secretary WIRTZ. It is not.

Mr. ROGERS of Florida. I don't think this has been made clear at all, Mr. Secretary, and I think it would be well if you could just tell us quickly, because my time is limited, too, that the basis is interstate

commerce and that is the decision Congress made so many years ago when we passed the Railroad Labor Act, isn't that true?

Secretary WIRTZ. There is no question but that under the language of the Railroad Labor Act and also under the language of the joint resolution, you do have the situation which is referred to there.

Mr. ROGERS of Florida. Now, as I understand it, following the law that the Congress passed many years ago, the National Railway Labor Act, stating that when interstate commerce is substantially interfered with, there should be certain procedures put into effect.

Secretary WIRTZ. That is correct.

Mr. ROGERS of Florida. The National Mediation Board should make this finding if there is an interruption, and I believe they so held and reported to the President. Wasn't that correct?

Secretary WIRTZ. That is correct.

Mr. ROGERS of Florida. And as a result of that finding, the President appointed this Emergency Board, and they, too, found that the threat of interruption of transportation was such that they made recommendations?

Secretary WIRTZ. In effect; yes.

Mr. ROGERS of Florida. I think we are kind of getting off on a trend in this national emergency thing. Now, it is true there is significance as to how much effect it has, I would agree, but when we state that 60 percent of the air service in this country has already stopped, and we have the possibility of more, as I understand it—is that correct?

Secretary WIRTZ. Not any immediate possibility. If the same thing happened in the American Airlines case, it would add that factor.

Mr. ROGERS of Florida. So there in the American Airlines case I believe 60 days have already run?

Secretary WIRTZ. No, we are at the start of the 60-day period.

Mr. ROGERS of Florida. The beginning?

Secretary WIRTZ. That is right.

Mr. ROGERS of Florida. So we have some time there and something will have to be done there. Now since this is clear that we are dealing with an interruption of commerce, and this is what we should be concerned with, and you do state that it is 60 percent, as I understood it, President Kennedy in 1963 was also dealing with a situation which was imminent in interrupting transportation, although the strike had not actually occurred at that time, is this true?

Secretary WIRTZ. That is correct. He was dealing with a situation which involved commerce.

Mr. ROGERS of Florida. Yes.

Secretary WIRTZ. And it did happen before, the action was taken before the strike started.

Mr. ROGERS of Florida. Before the strike even occurred. Now here we have a situation where the strike has been in existence, and the public has been inconvenienced for almost 30 days, and my area, I can tell you—

Secretary WIRTZ. Is bad.

Mr. ROGERS of Florida. Is really bad, is suffering.

Secretary WIRTZ. There is no question about it.

Mr. ROGERS of Florida. Now when I look at the reports, I see that there is quite a bit of damage that we are not even considering. I notice a report here from the Los Angeles paper, the New York head-

line, "The banking system is upset. The strike also cut"—and this is talking about the strike—"estimated borrowing reserve by member commercial banks to \$155 million a day. Last week's estimate was \$456 million."

Now, we also understand that the air carriers have about 790 jet aircraft grounded that cost \$5 to \$8 million each. That is over \$4 billion of grounded equipment, 150,000 people a day not being able to get transportation. They have got to make payments on those, don't they, Mr. Secretary?

Secretary WIRTZ. On the jetplanes?

Mr. ROGERS of Florida. Yes.

Secretary WIRTZ. Yes, I am sure they do.

Mr. ROGERS of Florida. Doesn't that affect business?

I noticed a report in the paper today which says TWA has delayed its purchase order for more than \$400 million of Boeing jets because of the strike.

People are depending on this. I think if we really did a study on the damages that time does not permit, that we would see there is tremendous damage certainly in the State of Florida.

Now let me ask you this in conclusion. I know my time is about up, Mr. Secretary. You came in with a proposal which you presented for Senator Kennedy that you said was not compulsory arbitration, that was simply an initial cooling off period at that time for 2 years.

Secretary WIRTZ. There were two proposals you will remember, Mr. Rogers, that the Congress pass a quite different law from the original administration proposal.

Mr. ROGERS of Florida. But your proposal I believe was supporting the 2-year period.

Secretary WIRTZ. We always disagreed about that. The original proposal was in terms of an amendment to the Interstate Commerce Commission Act, and I always felt that the original proposal did not involve compulsory arbitration. There was a significant change in the Congress in that.

Mr. ROGERS of Florida. Well, from what I understand, the administration supported the 2-year period of time that was involved in the proposal.

Secretary WIRTZ. I think that is right. I would have to check.

Mr. ROGERS of Florida. Yes, according to the record.

Secretary WIRTZ. I think that is correct.

Mr. ROGERS of Florida. I think you proposed it through the ICC.

Secretary WIRTZ. I believe that is right.

Mr. ROGERS of Florida. The same principle was involved.

Secretary WIRTZ. The same period of time?

Mr. ROGERS of Florida. Yes.

Secretary WIRTZ. I thought a different principle.

Mr. ROGERS of Florida. Well, you just said that you could come back at the end of the time and the Congress took your advice on it, from my reading of the hearings.

Now, I think what is being proposed here is simply another cooling off period basically, is it not?

Secretary WIRTZ. In the Senate joint resolution?

Mr. ROGERS of Florida. Yes.

Secretary WIRTZ. Yes, plus the activities of the Special Airlines Dispute Board.

Mr. ROGERS of Florida. Yes, in trying to get them together.

Secretary WIRTZ. Essentially, I agree.

Mr. ROGERS of Florida. So you have no basic disagreement. There is a precedent for this.

Secretary WIRTZ. Oh, no. You have left out one thing. There was a finding by Congress in 1963 that the strike of those railroads would in congressional language "affect adversely the national health and defense." That is the difference between the two, if there is a difference.

Mr. ROGERS of Florida. The Emergency Board has found, and it so stated in its report that the President acted on, that it would affect the health.

Secretary WIRTZ. I do not reach a conclusion as to whether there is a difference but there are two different standards involved. One is the one involved here, substantially to interrupt interstate commerce "to a degree such as to deprive any section of the country of essential transportation service." I have said in answer to your question that surely that has been found already.

In 1963 the congressional finding was of a situation involving national health and defense. I just point out the difference between the two standards.

Mr. ROGERS of Florida. Yes, but for us to act, it is not necessary for the prior condition to exist, you admit?

Secretary WIRTZ. It is entirely up to Congress as to what standard it wants to employ.

Mr. ROGERS of Florida. In fact, that is what the law calls for us to do to consider the interruption of commerce, does it not? That is when the procedures are activated by the executive department.

Secretary WIRTZ. That is the language which activates the Railway Labor Act.

Mr. ROGERS of Florida. And that is how you have acted previously, is it not, the executive department, not on health or welfare or national defense. You proceed on interruption of commerce, do you not?

Secretary WIRTZ. The proceedings so far have been under the Railway Labor Act.

Mr. ROGERS of Florida. Why certainly.

Thank you, Mr. Secretary.

The CHAIRMAN. Mr. Broyhill.

Mr. BROYHILL. Thank you, Mr. Chairman. To continue that point for just a moment to clarify in my own mind, Mr. Secretary, the fact is that the requirements under title II of the Labor Management Relations Act require that a national emergency be found which would materially affect the safety and health and the defense of the country, is that correct?

Secretary WIRTZ. That is correct. "Imperiling the national health and safety" is the language of the act.

Mr. BROYHILL. But, as I understand it, we are operating under another law which does not even refer to this. It refers to whether or not the interstate commerce has been substantially interrupted to deprive certain sections of the country of service of certain modes of transportation.

Secretary WIRTZ. That is the standard under which the proceedings have been conducted.

Mr. BROYHILL. That is the same standard or the basis on which the Mediation Board and the President recommended that an emergency board be created, is that correct?

Secretary WIRTZ. That is correct.

Mr. BROYHILL. You would agree, then, that an emergency does exist which does threaten to substantially interrupt interstate commerce to a degree such as to deprive any section or several sections of the country of essential transportation services?

Secretary WIRTZ. I would agree that the situation is covered there. The statute does not use the word "emergency," as it has been bandied around.

Mr. BROYHILL. One other more technical question. Under section 6 of this proposal or this Senate Joint Resolution 186, it is my understanding that if any other work stoppages occur, if this is enacted into law, that they will be made a part of Senate Joint Resolution 186, and as a result they could not go out on strike; is that correct?

Secretary WIRTZ. That is the way I would read it, depending on the making of a judgment by the President which is referred to there.

Mr. YOUNGER. Will the gentleman yield?

Mr. BROYHILL. If the President makes the judgment. Now would this include also the dispute as I understand it going on between American Airlines and the Transport Workers Union?

Secretary WIRTZ. It is my understanding that that is the intention of it. So far as I know that would be the effect. I cannot be positive about that. I think the answer is "Yes."

Mr. BROYHILL. I also read somewhere that some of the other unions may not go back to work if the Machinists Union agreed to go back to work. Would they be covered under this resolution?

Secretary WIRTZ. Would they be covered? I do not know. I would have to check that all the way through. I don't think that is likely to happen, Mr. Broyhill.

Mr. BROYHILL. I yield to the gentleman from California.

Mr. YOUNGER. Just one question, Mr. Secretary.

You have shown considerable interest in the guidelines and the influence of what might happen to the economy because of this, together with the steel prices. Do you feel that the time has come for the President to recommend to the Congress standby authority to freeze prices and wages?

Secretary WIRTZ. I would not be in a position to answer a broad question at this point, any authority at all, Mr. Younger, about legislation of this kind.

Mr. BROYHILL. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Kornegay?

Mr. KORNEGAY. Thank you, Mr. Chairman.

I would like to ask unanimous consent to allow Mr. Pickle to take my 5 minutes, not to yield to him my 5 minutes, but to substitute my 5 minutes at this time, if the Chair will agree to come back to me.

The CHAIRMAN. Mr. Pickle is recognized.

Mr. PICKLE. I thank the gentleman from North Carolina and I thank the chairman.

I hope he may have his 5 minutes, but I would like to speak here. Thank you.

Mr. Secretary, I am assuming when we talk in reference to this measure which says, "It threatens substantially to interrupt inter-

state commerce," that you are in agreement that that is the situation now, that this present strike involving the five airlines does substantially threaten the interruption of interstate commerce.

Secretary WIRTZ. Yes, sir; that was found by the National Mediation Board; was accepted by the President when he set up this Board.

The same language is in the Senate joint resolution. I would assume the same answer.

Mr. PICKLE. Then it would clearly be within our province and probably our duty to express ourselves as a committee on this point.

Secretary WIRTZ. The question would be whether on what state of facts you propose this course of action.

Mr. PICKLE. Now, this strike, as I read the hearings and part of the testimony yesterday, has been going on for over a year?

Secretary WIRTZ. This controversy?

Mr. PICKLE. Yes, sir.

Secretary WIRTZ. It started just about a year ago.

Mr. PICKLE. As I recall the testimony, it was August of 1965.

Secretary WIRTZ. I think that is right; early August.

Mr. PICKLE. I am sure that this represents during this period of time an endless number of conferences, boards, emergency meetings, and similar efforts to try to settle it. Yet, in the space of over a year, we have not settled and we are nowhere nearer, as you said yesterday, than perhaps when we started.

Now, my question is this: One, in your opinion, have we not done anything that we should have done to try to settle this strike on either the part of management or labor or the Government?

Secretary WIRTZ. I do not think anything has been left undone. I think there has been a sincere effort.

Mr. PICKLE. Then if this strike had been going on over a year, would you say then that at this point there is reason to say that collective bargaining has broken down?

Secretary WIRTZ. The strike has not been going on over a year. The active period of negotiation—bargaining, negotiation, mediation—is from about October last down to date, and if your question is whether collective bargaining has failed in this situation to date, it has.

Mr. PICKLE. I thank you.

Secretary WIRTZ. To date. I did not say, though, Mr. Pickle, that we are not closer to the answer than we were a year ago, your earlier statement. That would seem to me broader than my own view of it, but collective bargaining has fallen on its face.

Mr. PICKLE. Would you say if we are not closer, we are somewhat closer but not a great deal closer?

Secretary WIRTZ. I think we are close.

Mr. PICKLE. Can you tell me what the machinists are asking with reference to the percentage guideline?

They were offered 4.3 instead of the 3.2 or in that neighborhood. How much are they asking?

Secretary WIRTZ. There has been no subsequent formulation of a union request since the agreement, which was not ratified.

Mr. PICKLE. Is more being considered?

Secretary WIRTZ. I say there has been no request from the union since the agreement was not ratified.

Mr. PICKLE. If the demands, whatever they might be of the machinists, were met, is there any question in your mind but what this

would not touch off steel and countless of the other major industries throughout the land?

Secretary WIRTZ. I cannot answer you because there has been no request from the union, no proposal since that agreement of last week.

Mr. PICKLE. Would you say it would probably do that; have that effect?

Secretary WIRTZ. I think it will be in the danger area, that we are in the danger area, but I do not know—

Mr. PICKLE. You said clearly yesterday that this would probably be the case and that we have a serious problem facing us in the economic situation.

Secretary WIRTZ. That is correct.

Mr. PICKLE. So that must follow, then?

Secretary WIRTZ. I said that in terms of the combination of the nonratification and the steel price movement.

Mr. PICKLE. Then this one is just sort of the first domino, or in my country we would say it is the goat with the bell. If you push that one, then the rest of them probably would follow.

Secretary WIRTZ. That problem is before the country. I do not think that result would follow.

Mr. PICKLE. One other question now, and I think this goes to the heart of the problem involved, and that is section 8. This is where the Secretary of Labor is directed to start studying about the adequacy of the emergency labor dispute—that is, the provision of the Railway Labor Act—and recommending that a study be made and given to the Congress by January 1967.

Now it seems to me that what we are saying is what we are doing now is not adequate, or that there are weaknesses and that we ought to have a study that would come up with something that would be permanent but whatever we do now is somewhat temporary. We do not want to hurt collective bargaining, but I am asking you, is there an area between collective bargaining and compulsory arbitration that we ought to seek or look for?

It seems to me that this is the intent of the Congress. We are saying here that there is an area that must be established in between collective bargaining and compulsory arbitration when it affects the national interest.

Secretary WIRTZ. I think that is exactly what this implies and what the Congress and the country are looking for; exactly.

Mr. PICKLE. I am hoping that the Department and this committee and the Congress can come up with some legislation that would fairly represent the situation in between those two areas, so that the national interests would not suffer.

I thank you.

The CHAIRMAN. Mr. Watson?

Mr. WATSON. Mr. Secretary, yesterday you said the balance of payments is being affected by about \$1 million weekly.

Secretary WIRTZ. That is correct, Mr. Watson.

Mr. WATSON. Of course, that does not include the loss of foreign tourist travel and trade and such as that.

Secretary WIRTZ. No, it does not.

Mr. WATSON. You say further that Government taxes are being affected or have been thus far to the extent of about \$14 million.

Secretary WIRTZ. That would be only the taxes on the wages of the employees.

Mr. WATSON. Only on the wages?

Secretary WIRTZ. That is correct.

Mr. WATSON. There are a number of other factors involved including the unemployment payments that are being made to these many people out of work, which would further aggravate the financial condition.

Secretary WIRTZ. And taxes on corporate profits.

Mr. WATSON. Now let me ask you this. You and Mr. Reynolds have been with the negotiators in this dispute. Do you honestly believe that if Government had not injected itself into it, with the depressive guidelines, that this matter could have been settled?

Secretary WIRTZ. I have said quite fairly that that has been an element, a factor in the situation.

I do not believe I can answer the question, whether I think there would have been a strike if it had not been for that stabilization feature, I just do not know.

Mr. WATSON. Pursuing the line of questioning of Mr. Pickle the Emergency Board made recommendations. Did you consider those recommendations fair?

Secretary WIRTZ. Yes, sir.

Mr. WATSON. They were not accepted by either or both of the parties?

Secretary WIRTZ. They were accepted by the carriers, were rejected by the union.

Mr. WATSON. They were accepted by the carriers, rejected by the union, and you consider those—

Secretary WIRTZ. May I say I considered them fair as a framework for the parties' bargaining.

Mr. WATSON. They made specific recommendations?

Secretary WIRTZ. They did.

Mr. WATSON. Of course.

Secretary WIRTZ. They did, but the law contemplates that they shall be a basis for the parties' 30-day bargaining, and I consider them fair in terms of the statute.

Mr. WATSON. And the carriers agreed and the machinists did not?

Secretary WIRTZ. That is correct.

Mr. WATSON. Then we had agreement a week ago or supposedly an agreement, and it was not ratified by the machinists?

Secretary WIRTZ. That is correct.

Mr. WATSON. It was accepted by the carriers?

Secretary WIRTZ. That is correct.

Mr. WATSON. Now you said among the reasons for rejection or failure to ratify that particular agreement was apparently the tradition that the machinists automatically vote against the first offer, and then you mentioned this: "And apparently there was a lack of communication," and I can see where there would be, because of the brief time within which they had to act.

Secretary WIRTZ. No; I think there was a direct question to me about the time factor, and I expressed, concluded as one point that there was a very brief period for possible communication.

Mr. WATSON. You did not make the statement that there was a lack of communication.

Secretary WIRTZ. I do not believe I did. I would be glad to check the record. I think that would be a pretty broad judgment for me to make.

Mr. WATSON. Let me ask you since that time, and it was a week ago almost—

Secretary WIRTZ. Yes.

Mr. WATSON. What has been done to correct that particular element?

Secretary WIRTZ. I think that would be a question within the union, and I do not know.

Mr. WATSON. Have the negotiators advised you of any direct efforts to try to improve communications?

Secretary WIRTZ. They have not.

Mr. WATSON. I believe you further stated that no counter-offer or no reaction other than just the vote in the negative against the agreement has been presented to you on the part of the machinists?

Secretary WIRTZ. That is right, but if the line of questioning suggests—

Mr. WATSON. If it has not, and we have to abbreviate this, Mr. Secretary, and I would like you to answer—

Secretary WIRTZ. Not at the expense of a misunderstanding of my answer.

Mr. WATSON. If there was such a situation as that then can you honestly say in your opinion that we are in a period of honest collective bargaining at this time?

Secretary WIRTZ. Yes, sir.

Mr. WATSON. I thought you said earlier that there can be no meaningful negotiations while Congress is considering these matters, and you have cited examples of apparently where there are no meaningful negotiations.

Secretary WIRTZ. The pattern of your question, sir, is such that it requires this pattern of answer. That is the only answer that is permitted, because of the insistence upon a shortage or a briefness or a brevity of the answers leads to misleading conclusions.

Mr. WATSON. Are the negotiators meeting now?

Secretary WIRTZ. No; they are not.

Mr. WATSON. When have they met in the last week?

Secretary WIRTZ. Across the table?

Mr. WATSON. Yes.

Secretary WIRTZ. They have not.

Mr. WATSON. They have not?

Secretary WIRTZ. That is correct.

Mr. WATSON. Then in the absence of such meeting you can honestly tell this committee that there has been an effort to—

Secretary WIRTZ. No; but I can honestly answer your questions if given an opportunity.

Mr. WATSON. All right, sir; you go right ahead.

Secretary WIRTZ. All right, they would be these: That with respect to the matter of whether there has or has not been additional communication or additional effort on the part of the union to approach this matter; whether there has been an honest effort on the part of both sides to do everything they can to meet this situation, my answer would be yes.

Mr. WATSON. I see.

Secretary WIRTZ. And now given the opportunity to set the answers in that context in what I think is fairness, I would answer your question about whether there is any collective bargaining presently going on with a clear negative answer, that the situation does not permit effective collective bargaining.

I wanted to correct what appeared to me the implication in my answer to suggest a dilatory action on the part of either party. I do not think there has been.

Mr. WATSON. No, sir; I am not suggesting that.

Secretary WIRTZ. All right.

Mr. WATSON. I am trying to look at what positive steps have been taken in the last week to settle this particular matter.

Secretary WIRTZ. Very little.

Mr. WATSON. And I think I can deduce from your statement that they have been very limited, if any?

Secretary WIRTZ. That is correct.

Mr. WATSON. One final question.

Since everyone is disturbed about Congress stepping in and trying to represent the people here and resolving this issue, then apparently the machinists have the answer to whether or not Congress acts. If there is a settlement of this thing immediately, then certainly this legislation, in my judgment, would not be enacted, so if they believe in the efficacy of collective bargaining, and they do not believe that it has failed in this instance, then why don't they settle the issue?

Secretary WIRTZ. That is really a comment—when you say that everybody is disturbed about Congress stepping into it, that would not be my view and I do not think it would be a general view. I am not talking that there is anything wrong at all with the Congress stepping in.

Mr. WATSON. In other words, I can conclude that neither you nor the negotiators object to the Congress stepping in?

Secretary WIRTZ. I cannot speak for the negotiators. If you ask me personally, I certainly take no exception at all to Congress consideration of this matter; none at all. I think that the country has a serious problem on its hands in terms of bargaining, stabilization, and transportation. I at no point meant to suggest any reservations about that.

Mr. WATSON. It is real serious down our way.

Secretary WIRTZ. Sure.

Mr. WATSON. I think the parties here have the answer to this whole situation if they can get together.

Secretary WIRTZ. I hope so.

The CHAIRMAN. Mr. Kornegay.

Mr. KORNEGAY. Thank you, Mr. Chairman.

Mr. Secretary, is this procedure that is being used by the Machinists Union in this case standard operating procedure by most or all of the unions in the country; that is, do they submit to the membership for ratification an agreement reached by the leaders of the union and the leaders of management?

Secretary WIRTZ. In one form or another the answer is yes, but the broad answer is misleading. The practice here goes considerably beyond what is normal in most unions in the country.

Mr. KORNEGAY. Is this procedure followed by the Machinists Union in each case?

Secretary WIRTZ. Yes, sir. The fact of ratification is a larger fact in the practices of the Machinists Union than it is in most others. In most others, there is a larger degree of prior delegation, determination, so that the bargaining representatives are in practical effect vested with a larger authority.

Mr. KORNEGAY. This settlement, so far as the leadership is concerned, was released on Friday night, the election took place on Sunday, and I don't know whether you do or not, but if you know, to what extent did the leadership of the union convey to the membership all of the terms of the settlement or agreement reached on Friday night with management?

Secretary WIRTZ. Yes, sir, I do know a good deal which is second-hand. You can get it firsthand, but I do know a good deal of it secondhand.

I know the telegrams sent out, I know the messages, the patterns of the communications, and I would attest that, so far as I know, every reasonable practical effort was made by the union leadership to communicate the facts to the membership.

Mr. KORNEGAY. Now, Mr. Pickle asked this question that I had in mind and which I intended to ask you, which is this. Has collective bargaining failed in this case?

Secretary WIRTZ. Yes, sir, it has, in my judgment.

Mr. KORNEGAY. And, of course, this case involves an air carrier which is in the nature of a public utility, is it not?

Secretary WIRTZ. When you say "failure", there are two different senses of that. It has certainly failed to date.

Now, if the question implies no possibility of settlement here, ultimate failure, I do not say that.

Mr. KORNEGAY. But isn't there somewhere that we must draw a line, particularly when it involves a settlement of American industry which is either a public utility or in the nature of a public utility?

Secretary WIRTZ. May I say that—you say is there someplace?

Mr. KORNEGAY. Yes. In other words, this negotiation could not go on forever and still meet the needs of the public.

Secretary WIRTZ. I think that is pretty much the question before the Congress right now.

Mr. KORNEGAY. And the other question is, how long and how far should it go. Isn't that about the size of it?

Secretary WIRTZ. I think so, yes, sir.

Mr. KORNEGAY. Now, of course, in most industries which are not in the nature of a public utility, as a matter of fact, for example, unless you have industrywide bargaining as you do in some instances, you have other elements of the industry, components of the industry, making the same thing that the struck industry makes. Therefore, the public is not being inconvenienced and damaged.

The point I am trying to get at is we have in this case, as we do in all transportation cases, it appears to me, a situation where the public interest is far greater, the public concern is far greater, the public inconvenience is far greater than it is in the ordinary industrial strike.

Secretary WIRTZ. Yes, sir.

Mr. KORNEGAY. And, of course, it is treated differently in the law.

Secretary WIRTZ. That is correct.

Mr. KORNEGAY. Than airlines and railroads that are struck, which come under the Railroad Labor Act.

Secretary WIRTZ. And beyond that is emerging, I think, as a very significant element in our future thinking about this whole problem, the fact that some of our problem has been in the transportation industry.

Mr. KORNEGAY. Yes, sir; and the Railroad Labor Act was enacted back in?

Secretary WIRTZ. 1926.

Mr. KORNEGAY. And the airlines were made subject to it in 1936.

Secretary WIRTZ. That is correct.

Mr. KORNEGAY. Since that time, have there been any amendments to it which altered or changed or strengthened procedures?

Secretary WIRTZ. None with respect to this area. I think the practical answer is no, with respect to these emergency dispute areas.

Mr. KORNEGAY. Do you have any comment to make on a possible approach to this problem, such as this, to provide for an additional procedure, which after the recommendation of the Presidential Board has been concluded, that this recommendation be submitted to the membership of the unions and the management for their rejection or approval, under the supervision of some Government agency, with a sufficient time between the report and the time of the vote to be sure that all parties are fully advised of what the proposal contains and what the result of it would be?

Secretary WIRTZ. No, I don't, Mr. Kornegay, and in my answer, I mean to reflect the personal judgment that this action was, whether rightly or wrongly, and you will know that I think it was very wrong—

Mr. KORNEGAY. I understand.

Secretary WIRTZ. Whether rightly or wrongly, I am quite clear that it was the judgment of a majority of the membership of this union.

Mr. KORNEGAY. You think the same results would have been reached had this procedure which I have suggested been in the law?

Secretary WIRTZ. Yes, I think it would. Yes, sir, we have received a good many personal letters and one thing or another. As best I can answer your question, this was an accurate reflection of the membership view.

Mr. KORNEGAY. Thank you very much, and thank you for the great efforts that you and Mr. Reynolds have put forth in this matter, Mr. Secretary.

Thank you, Mr. Chairman.

Secretary WIRTZ. Thank you.

The CHAIRMAN. The gentleman from California, Mr. Van Deerlin?

Mr. VAN DEERLIN. Thank you, Mr. Chairman.

Mr. Secretary, do you have any information as to the relative ability of the individual struck airlines to absorb continuing strike losses?

Secretary WIRTZ. The financial ability?

Mr. VAN DEERLIN. Yes.

Secretary WIRTZ. No; I do not.

Mr. VAN DEERLIN. Would it be your impression that one of the factors that prompted the union membership's rejection of the settlement proposals was the widely publicized feeling that the airlines have been making it hand-over-fist?

Secretary WIRTZ. Yes, sir; it would by my view that that was one of the elements in the decision.

Mr. VAN DEERLIN. Insofar as you know, did any of the struck airlines in the negotiations plead poverty?

Secretary WIRTZ. No, sir.

Mr. VAN DEERLIN. Was this ability to pay—and I assume that none of them denied an ability to pay—would this be true of all five of the struck lines?

Secretary WIRTZ. Let me say this. There was no plea of poverty. The discussion was not in terms of ability to pay, but it would be a necessary part of the complete answer to that to say that there was repeated reference to the financial effect on the corporate structure of the wage demands, so that element was not by any means left out.

But, in terms of the traditional plea of poverty or nonability to pay, as we have sensed it over a period of years or experienced it, there was not that.

But there was the other, that the companies could just not properly, on the basis of sound business judgment, afford to meet the demands.

Mr. VAN DEERLIN. Has this been the first major labor-management dispute in which administration guidelines have been so pervading a factor?

Secretary WIRTZ. No, sir. They were a very, very major central consideration in the steel case last year, just about a year ago.

Mr. VAN DEERLIN. Thank you, Mr. Chairman.

Secretary WIRTZ. And that case was settled more than as a matter of coincidence on what was precisely a 3.2 percent basis.

The CHAIRMAN. The gentleman from Mississippi, Mr. Williams.

Mr. WILLIAMS. Thank you, Mr. Chairman.

Mr. Chairman, I don't think you are down to the foot of the committee yet. That is where I belong.

Mr. FARNSLEY. We all yield.

The CHAIRMAN. Mr. Farnsley says they all yield down here, so go ahead.

Mr. WILLIAMS. I am the junior-senior member or the senior-junior member, whichever way you want to put it.

Mr. Secretary, I am going to preface my question with a brief statement of background, if you don't mind. I am concerned over what I consider to be a very strong possibility that this bill will ultimately lead to compulsory arbitration of labor disputes.

For example, on page 94 of the Senate hearings, we find that the Transportation Association of America recommends the enactment of compulsory arbitration in general, and that the Board of Directors of the Transportation Association met at a special meeting on July 26 and recommended the passage of this bill as an interim measure.

I also notice on pages 95 and 97 of those hearings that, although there is no one representing labor on that board of directors, the board includes Mr. Hall, president of Eastern Air Lines, Mr. Keck, president of United Air Lines, Mr. Tillinghast, president and chief executive officer of Trans World Airlines; in addition to that the board also includes Mr. Stewart Tipton, president of the Air Transport Association, and also the presidents of two other airlines which are currently engaged in a dispute with certain of their employees. That would be the presidents of Pan American and American, I believe, Mr. Leslie, vice president and assistant to the chairman, Pan American Airways, and Mr. Spader, executive vice president and general counsel of American.

Now, this committee has had a little experience with compulsory arbitration in an area that you had not mentioned yesterday, and that is the provisions of the Railway Labor Act relating to settlement of minor disputes by the National Railroad Adjustment Board, which under a 1957 Supreme Court decision, administers a system of compulsory arbitration of minor disputes.

This system of compulsory arbitration has worked so extremely poorly that when the matter came to the attention of the House a year or so ago, both the House and the Senate unanimously passed a bill that we hope will correct the existing bad situation somewhat.

Now, you pointed out yesterday that compulsory arbitration during World War II led to hundreds of disputes each week being referred to the War Labor Board, since the parties themselves could not reach agreement in view of arbitration being available to them.

Section 4 of this bill, Mr. Secretary, provides that the President is given a statutory duty to make recommendations to the Congress, which will assist in final settlement of this dispute, and here are the key words in there:

Without further interruption of the continuity of transportation services by these carriers.

Now, with that preface, Mr. Secretary, I ask this question. Do you see any way to insure that there shall not be interruption of the continuity of transportation services if employees retain the right to strike?

Secretary WIRTZ. To insure it finally?

Mr. WILLIAMS. Yes.

Secretary WIRTZ. No, sir.

Mr. WILLIAMS. All right.

Secretary WIRTZ. Let me be sure I understand the question so the answer isn't misleading.

This would not guarantee and assure complete ultimate uninterrupted operation.

Mr. WILLIAMS. It couldn't do it without compulsory arbitration, could it?

Secretary WIRTZ. Compulsory arbitration or legislative determination of terms and conditions.

Mr. WILLIAMS. That leads me to this observation. It seems that this provision in the bill, in the Senate bill, is possibly an unintended sleeper. When the Senate voted down the Lausche amendment, they voted against establishing compulsory arbitration at this time.

However, it seems to me that the language of section IV confers on the President the duty to recommend legislation to the Congress which will prohibit strikes in the airline industry.

Now, regardless of whether these recommendations will require further congressional action or not, does section IV require recommendations from the President which will prohibit strikes in the airline industry?

Secretary WIRTZ. I think it does not.

Mr. WILLIAMS. You think it does not?

Secretary WIRTZ. Yes. My reading of it, in short, leads me in a different direction from yours. It says "assist." It does not say "assure." It does not say "result"; any of those courses would have to be open to the Senate and it does require further legislative action.

I think it is to be read in the context of the Senate vote to which you referred, the 81-to-6 vote, against compulsory arbitration.

I would therefore conclude, as a personal matter, that this does not provide for compulsory arbitration.

Mr. WILLIAMS. How can we be assured that there will be no further interruption in service in the absence of compulsory arbitration?

Secretary WIRTZ. There would be, technically, alternatives, congressional provisions, as in the Adamson Act in 1917, of the workday, and so forth; but the practical point is I don't disagree with the proposition that that is about the only way to be, as a practical matter, sure that there won't be any.

My only point is that I don't think this leads down that road, in an inexorable fashion, and I think it does leave alternatives to the President, and certainly to the Congress, alternatives to the compulsory arbitration.

I would be quite clear that the Senate—I don't know why I should be expressing—I am presumptuous, really, Congressman, in only trying to be helpful, because it is a provision with which I had nothing to do with its origin; but my opinion would be that it does not have that rap in it to which you refer.

Mr. WILLIAMS. Then the word "assist" insofar as you are concerned is the key word in that?

Secretary WIRTZ. Yes, that is correct.

Mr. WILLIAMS. I am afraid the language, as far as I am concerned—

Secretary WIRTZ. I appreciate the point.

Mr. WILLIAMS (continuing). Is not a very specific term as to directing the President to take positive, specific, particular action in this matter. And you may be right in your interpretation of it.

Secretary WIRTZ. I just don't know. I suppose the really conclusive consideration is that clearly nothing would happen under this section without further congressional action.

The point to which you refer could, if there is doubt about it, be cleared up at that point.

Mr. WILLIAMS. But there would be a duty on the President to recommend under this bill.

Secretary WIRTZ. To recommend a course of procedure, that is correct.

Mr. WILLIAMS. Now, getting away from that a moment, you have indicated that since these hearings began in the Senate, there has been no further meaningful collective bargaining.

Secretary WIRTZ. That is too broad because it was after the hearings started that we did get that, what we thought was agreement.

Mr. WILLIAMS. Let me clarify that. I believe since they voted down.

Secretary WIRTZ. That is correct.

Mr. WILLIAMS. Since the Machinists voted down the agreement.

Secretary WIRTZ. That is correct.

Mr. WILLIAMS. Now, can I construe the passage of legislation of this type dealing with a single particular strike to be in the future possibly an invitation to management to refuse to exceed the guidelines in further disputes; and, if struck, to expect Congress to bail them out?

Secretary WIRTZ. That possibility enters into a consideration of it. I spoke to it yesterday, and I think some of the first comment being entirely fair, perhaps, overly stated my intended position on that.

I stated then, and I do state again, the fact that any action, any legislative action, does have the effect to which I referred yesterday of leading one party or the other in a future case to draw back from its responsibilities. I did not mean to advance that in opposition to Congress action one way or the other here.

Mr. WILLIAMS. Well, in effect, at this point in the progress of this matter, do I understand—

Secretary WIRTZ. I didn't mean to clutter up the last answer to your question because it is yes today, just as it was yesterday. Any action of that kind does have that effect.

Mr. WILLIAMS. Yes, sir. And at the present time under present circumstances there is little, if any, incentive for either side to attempt to negotiate with the other, so long as this legislation is pending.

Secretary WIRTZ. So long as the legislative consideration goes on.

Mr. WILLIAMS. That is right.

Secretary WIRTZ. I would agree with that. I would put it differently. It is not that there isn't any incentive. I think both sides are beginning to hurt more than they were before, no question about that. There is the incentive. I did indicate that I thought the pendency of the legislative consideration led them to draw back from trying to get together.

Mr. WILLIAMS. With both sides beginning to feel the pinch of the shoe, do you feel that it would be a wholesome thing perhaps for the Congress to set this issue aside for a while, and let the laws of economics and collective bargaining take over again for a while? Would that be a wholesome thing?

Secretary WIRTZ. I would have to think through the effects of that and the terms on which it was done. I would recall the railroad experience in which, having gotten into it about this far, Congress twice declared a kind of moratorium of the sort to which you refer, and that didn't advance the situation.

Now, there was no strike in effect at that point, so the history is not exactly parallel. My instinctive reaction to your question is that, having gone this far, better get it decided one way or the other, rather than to hold it in abeyance, but I don't have an ultimate judgment on that.

Mr. WILLIAMS. How much more time do I have, Mr. Chairman?

The CHAIRMAN. Your time has run out.

Mr. WILLIAMS. May I ask one further question?

The CHAIRMAN. You may.

Mr. WILLIAMS. With a short answer.

Mr. Secretary, if you feel this is an unfair question, say so, and don't bother to answer.

Secretary WIRTZ. All right, sir. Fair enough.

Mr. WILLIAMS. But would the passage of this legislation strengthen or weaken the principle of collective bargaining?

Secretary WIRTZ. I think a short answer would be unfair, and so my broad answer would be that it would have two factors. First, the one I have mentioned before, that any necessity of legislation in this field does tend to weaken the parties' will to bargain collectively. I recognize at the same time that collective bargaining has, in terms of earlier questions, fallen on its face in this particular situation, and it is a little hard to balance the question of whether, when it has failed this badly, something doesn't have to be done about it against the other consideration to which you referred.

My answer to that is a mixed reaction.

Mr. WILLIAMS. Thank you, Mr. Secretary.

The CHAIRMAN. The gentleman from New York, Mr. Murphy.

Mr. MURPHY. Mr. Secretary, I am sorry I was late yesterday and missed the first part of your testimony, but I was not able to get my usual early plane from New York to come down.

The nonratification by the Machinists' rank and file of their wage scale committee recommendations, it was pointed out by testimony yesterday as being a pattern as far as Machinists' negotiations are concerned.

To broaden this, isn't this becoming a pattern throughout the collective bargaining situation, generally, as far as labor and management is concerned?

Secretary WIRTZ. If the question is whether there is more tendency in general for the membership to exercise a strong voice in the bargaining process, the answer is "Yes." If the question is whether there is a very broad practice of nonratification after the leadership concludes a contract, my answer would be "No," that it is not an increased practice.

Now, those two, I think, are consistent. They seem on the surface to be little a different. But, in general, I would say a larger degree of participation by membership in the bargaining but not very much of this nonratification, and my statement yesterday was a good deal more of it in this union than in others.

Mr. MURPHY. Is it the union constitution or the national labor clause that requires the rank and file to ratify their own wage scale committee recommendations?

Secretary WIRTZ. It is not the national law. It is the provision in the constitution, and in this case there was also an agreement entered into between the parties—I mean the carriers and the unions—that there would not be a final agreement until there had been ratification, so it is not in the law. It is in the constitution and here in an agreement between the two parties.

Mr. MURPHY. So it is a question of the rank and file not following the recommendation of their leadership.

Secretary WIRTZ. That is correct.

Mr. MURPHY. In this specific instance, which side is it up to now to make a counterproposal? Is it up to the management side or the labor side, as the negotiations presently exist?

Secretary WIRTZ. There would be no legal obligation on either of them of course, and that is an almost impossible question to answer as a practical matter, and it is a question which I am frank to say we are continuing to probe at the moment.

Mr. MURPHY. Who made the last offer or demand?

Secretary WIRTZ. There has been no offer or demand from either side since the nonratification.

Mr. MURPHY. Who made the offer or the demand that was voted on?

Secretary WIRTZ. There were eight issues in it, and the answer would be different, would vary from one to another. The last issue in the course of the bargaining that night was the wage issue, and there was an exchange of propositions, very rapid-fire exchange, over the period of the last hour. I do not remember which was the last

one came from, but the practical answer is that there was a back and forth on that last issue.

Mr. REYNOLDS. Well, the very nature of the bargaining exercise, Mr. Murphy, would answer your question that management made a further concession, so if you are asking who made the last move, who made the last offer, it was made by management and accepted by the union leadership.

Mr. MURPHY. Do you see any parallel between this legislation and the Bonner bill of the 88th Congress?

Secretary WIRTZ. That was the one covering transportation?

Mr. MURPHY. That was compulsory arbitration in the maritime strike.

Secretary WIRTZ. Do I see a parallel between what is before us now and that?

Mr. MURPHY. Yes.

Secretary WIRTZ. Oh, I would not say a parallel; no, sir.

Mr. MURPHY. That legislation required a cooling off period and a Presidential board.

Secretary WIRTZ. That is right.

Mr. MURPHY. Fact finding similar to Taft-Hartley.

Secretary WIRTZ. That is right.

Mr. MURPHY. Or the provisions of this legislation. And after months of hearings, that legislation was tabled by one vote in the committee. It was not the Labor Committee it went before. There are four members of this present committee that sat on the committee. I was privileged to be one. I am wondering what would be the next step, should this committee fail to act positively on this legislation.

Secretary WIRTZ. Its next step legislatively?

Mr. MURPHY. Well, its next step either as far as the administration is concerned, or the Congress. What other proposal?

Secretary WIRTZ. If you do not act on this proposal?

Mr. MURPHY. That is right.

Secretary WIRTZ. I do not know how to answer that. It has been very properly pointed out that the President did, in his state of the Union message, express the intention to present to the Congress some matter for its consideration in this area. In earlier testimony I have indicated some of the reasons that has not yet been done. I would expect to see that kind of development.

Mr. MURPHY. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Satterfield?

Mr. SATTERFIELD. Thank you, Mr. Chairman.

Mr. Secretary, I have listened to you very carefully and feel that you have made a very fair and objective statement.

Secretary WIRTZ. Thank you.

Mr. SATTERFIELD. Most of which I subscribe to. I realize that you are speaking from a position where there is necessarily a limitation to some of your answers and I appreciate that fact.

I would like to ask you this, however. In answer to a question of the gentleman from Mississippi, Mr. Williams, concerning legislative action tending to impede collective bargaining, is it not a fact that the mere existence of guidelines and the manner in which they may or may not be enforced is also an impediment to collective bargaining?

Secretary WIRTZ. I answer yes with this addition. That it is not just the guidelines. It is the country's concern about stabilization.

If there were no national concern about stabilization, no reason for national concern about stabilization, then there would be a freer—there would be one less factor to be considered. And so I do not believe I can fairly answer you, sir, just in terms of the guidelines, but I can in terms of the national, the administration, the congressional, the country's concern about stabilization as a factor.

Mr. SATTERFIELD. Then it would be fair to say in considering this resolution that we as legislators cannot ignore this other factor that may or may not impede depending on—

Secretary WIRTZ. Certainly not, and I have suggested I think, one of the elements of national concern in addition to transport collective bargaining is stabilization. I think it is all properly in this picture.

Mr. SATTERFIELD. I notice you have stated, and I think correctly so, that no meaningful negotiations are going to occur as long as Congress is entertaining this matter, and that only upon either enacting it or deciding not to enact it can we expect meaningful bargaining to continue. Do you feel—

Secretary WIRTZ. I have accompanied that by the expression of the fact that we will continue to try in every way we can.

Mr. SATTERFIELD. Yes, sir.

In this connection I notice you also said that you thought that settlement might be close. Do you feel—and I do not know whether you can answer this question or not, and please feel free to refuse to if you do not think you can—do you feel that the enactment of legislation will have any effect upon this settlement or not?

Secretary WIRTZ. That the enactment of this legislation will have an effect on what?

Mr. SATTERFIELD. On the closeness of settlement.

Secretary WIRTZ. I am glad you came back to it. My statement that it was close was only in response to Mr. Pickle's suggestion that it was no closer than it was 10 months ago, and I am glad to have an opportunity to correct any misunderstanding of that. It is pretty clear at this point that a relatively narrow margin separates the two parties. Now in fact we thought there was no margin last Friday.

Mr. SATTERFIELD. I understand.

Secretary WIRTZ. Now we find that there is one. Now your question is whether, if there is legislation, that gap will be narrowed?

Mr. SATTERFIELD. Yes, sir.

Secretary WIRTZ. I think that if there is this legislation, there will be a settlement of this dispute sometime during the period which is referred to. Is that responsive to your question?

Mr. SATTERFIELD. Yes, it is, sir; and I have one small question, Mr. Chairman. I was not clear as to what your answer to the question of the gentleman from North Carolina was with respect to this specific resolution—whether or not you felt that it should apply to any other disputes now in process other than the five airlines specifically named in this bill.

Secretary WIRTZ. If the legislation is passed, it would seem to me that section 6 is advisedly included, and that is the section which has that effect I believe.

Mr. SATTERFIELD. Let me go one step further. I am not sure that it does. In looking at each section in this bill, there is a reference to the participants, the parties to the dispute. It all seems to refer to

the first clause, which specifically names five airlines. My question is if we enact this resolution, should we make it broad enough to include any other airlines presently in dispute other than the five which are mentioned here?

Secretary WIRTZ. I would repeat my answer, which would be in support of the inclusion of section 6 if it is passed, but would have to say to you that that is not a very considered judgment. I have not thought through that question, nor do I know enough about the circumstances of the other case to give you an ultimate judgment as to whether it is a good idea or not. My offhand reaction nevertheless is in support of it.

Mr. SATTERFIELD. That it would basically be desirable.

Secretary WIRTZ. That is correct.

Mr. SATTERFIELD. Thank you, sir.

The CHAIRMAN. Mr. HUOT.

Mr. HUOT. Mr. Secretary, you mentioned, and it has been brought out several times here, that there has not been any meaningful collective bargaining since the nonratification. And it is very obvious that there probably will not be until some action is taken on this legislation.

This legislation sets up about 180 days total, and at the end of 150 days there would be a report to the President, and then to the Congress.

In your opinion do you think that agreement is apt to be reached in this period of time or would there still be this same tendency that there is now to wait and see what the recommendations will be and what the Congress will do at the end of the 180 days?

Secretary WIRTZ. I understood that to be like the similar question and my answer would be that I would expect to see, if the statute were passed—would expect to see a settlement sometime during the period. I do not know. Your question is in terms of what my expectations would be, and that would be it.

Mr. HUOT. Would you consider that this legislation is in the area that Mr. Pickle mentioned, between collective bargaining and arbitration?

Secretary WIRTZ. Yes, sir.

Mr. HUOT. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman from Kentucky, Mr. Farnsley.

Mr. FARNSELEY. Thank you, Mr. Chairman.

Mr. Secretary, I realize that all good Americans always obey the law. You brilliantly told us about how Congress has spoken on these problems. As you undoubtedly know, Congress spoke years ago and said as soon as a bottle containing spirits of liquors is empty, it is supposed to be broken. Now some people not knowing about this fail to do this, I hear by secondhand rumor. But ignorance of the law excuses nobody. Now I hear, also by rumor, that as to the subway strikers, the State legislature of New York had spoken and said they should not strike, but they did. Now, I realize this would not apply to the present unions and the present labor, the present companies, but could you tell me step by step in 4 minutes if we have got a bad union infiltrated from Castro Cuba or something and we passed this law and everything had been done up to now, and then they did not go back to work, what happens? Is that a clear question?

Secretary WIRTZ. No, sir.

Mr. FARNSLEY. I gave it too much preliminary.

If we pass this resolution and they still do not go back to work then what happens?

Secretary WIRTZ. Well now, that question is certainly clear and I wish I could supply as clear an answer. I do not know. These things could happen. There could be, as somebody has suggested here, discharges under the contract. There could be the hiring of alternative people.

Mr. FARNSLEY. Of what?

Secretary WIRTZ. Of alternative employees as a result of that, although the question of availability would be very serious.

I guess the honest answer to your question is that we would be in a mess.

Mr. FARNSLEY. I do not want to get you in a mess.

Mr. WILLIAMS. Will the gentleman yield at that point for an observation?

We might all be eating crow from then on.

Secretary WIRTZ. I recall Winston Churchill's suggestion was that the one most interesting thing about democracy is that at so many points it does not offer a sure answer to the possibility of anarchy. It has such self-confidence that it does not meet all the ultimate questions because it has worked so well for so long.

I do not mean to make a Fourth of July speech, but I am expressing that confidence when I say that I do not think we will have to face up to it, and if we do, it is like a lot of other questions in this country. We rely on our good sense.

Mr. FARNSLEY. Can I get unanimous consent to get a little extension of time?

The CHAIRMAN. You still have some time.

Mr. FARNSLEY. This nice man has said—I think he said I am suggesting the possibility of anarchy.

Secretary WIRTZ. No.

Mr. FARNSLEY. Look, this law says that if the President declares it and then the courts enjoin—is that right?

Secretary WIRTZ. That is correct.

Mr. FARNSLEY. And then when the courts enjoin it and you do not do it, you are in contempt of court and they can finally put you in jail.

Secretary WIRTZ. If the union does not do it. That still leaves the possibility that I thought you were asking about. Some individuals just say I am not going to do it.

Mr. FARNSLEY. Suppose nobody goes back to work.

Secretary WIRTZ. That is right.

Mr. FARNSLEY. And then, of course, it is un-American and I am un-American for asking the question, et cetera. You are right, you made a Fourth of July speech. But looking at New York, it was against the law to strike and they struck. Now we have exhausted all of the present laws and we are talking about another one. Now supposing some day they do not, a union comes along that does not go back to work. Then it goes to the courts to enjoin, is that it?

Secretary WIRTZ. If the union is in any way responsible for it.

Mr. FARNSLEY. But not the individual.

Secretary WIRTZ. That is correct.

Mr. DINGELL. Would the gentleman yield?

Mr. FARNSLEY. Yes; I give up. I know when I am licked. Go ahead.

Secretary WIRTZ. My apologies, Mr. Farnsley.

Mr. FARNSLEY. No; you have done all right.

Mr. DINGELL. The point the gentleman from Kentucky is discussing is simply this in section 7:

Nothing in the resolution shall be construed to require an individual employee to render labor or services without his consent nor shall anything in this resolution be construed to make labor or service by an individual employee an illegal act, nor shall the courts issue any process to compel performance by the individual employee of such labor or service without his consent.

Now, very clearly that forces no one to go back to work.

Secretary WIRTZ. That is correct.

Mr. DINGELL. Anyone who wishes to may quit.

Secretary WIRTZ. That is correct.

Mr. DINGELL. Conceivably if they chose under that language, not collectively but individually, the present members of the union could individually choose not to go back to work and we would have this issue right back in our laps.

Secretary WIRTZ. As they could under the Constitution which also includes a similar protection.

Mr. DINGELL. Probably if this legislation fails to have this language in, it might very well be unconstitutional, is that correct?

Secretary WIRTZ. If it fails, it would be unconstitutional? I did not get the question.

Mr. DINGELL. If this language were not in this statute, we would possibly find ourselves with one of two situations. Either an unconstitutional question—

Secretary WIRTZ. That is correct.

Mr. DINGELL (continuing). Or in the alternative a construction of the courts which might deem this language to be present in spite of the intent of the Congress or as an alternative to a finding of unconstitutionality.

Secretary WIRTZ. I would agree with that and would respect it as a better answer than mine.

Mr. FARNSLEY. Do you think anarchy existed in New York City when the subway people did not go back although it is clearly a State law?

Secretary WIRTZ. It is too strong a reference to it. I used the word "anarchy" in Mr. Churchill's suggestion that in a number of respects democracy does not cover its possible ultimate losses. I have pretty complete contempt for what happened in New York as I think everybody in the country does, and as everybody has for anybody who violates the law, and I do not mean to spare any expression of sentiment about that. I think the New York act is as wrong as it can be. The only thing I think is more wrong is the disregard of it.

Mr. FARNSLEY. If we would pass a law saying it is illegal to strike, that would be all right you say?

Secretary WIRTZ. No. You mean a broad—

Mr. FARNSLEY. Is that not what this says, they have to go back to work or—

Secretary WIRTZ. As I understand it, it says that for this period of time there must be a return to work, that is correct.

Mr. FARNSLEY. If they do not go back to work, what happens?

Secretary WIRTZ. As individuals? Not a thing.

Mr. FARNSLEY. I do not know if they do not go back as individuals.

Secretary WIRTZ. There would be a real difference there.

Mr. FARNSLEY. As individuals they do not go back.

Mr. MOSS. Would the gentleman yield?

Mr. FARNSLEY. Yes.

Mr. MOSS. Is not the answer as to what would happen is that they would be deprived of all of their existing rights?

Secretary WIRTZ. Under the contract, my earlier answer.

Mr. DINGELL. That would be a new issue at the bargaining table.

Secretary WIRTZ. I assume so.

The CHAIRMAN. Mr. Adams?

Mr. ADAMS. Mr. Secretary, one thing that bothers me about this has been the constant reference to the fact that it is really special legislation directed to a limited number of airlines. Had you considered what would be your position—and I would refer you, for example, I remember in 1962 we filed in a machinists' strike a Taft-Hartley injunction under section 178. Now, all that would really be required in order to place this in a general context would be to repeal section 182, would it not, of 29 United States Code and allow the provisions of the Taft-Hartley Act to then apply, which provides this alternative between compulsory arbitration and letting it go, which basically says that there will be a board meet, that an injunction can be established. Then during that period of time, and this is what happens in the public disputes, the public is informed of the offer on each side—

Secretary WIRTZ. Yes.

Mr. ADAMS (continuing). By it being so stated, that after the offer comes from each side, it is required to go back to the union by secret ballot and either they ratify it or they do not, and if they do not, then the offers can go again and again, this last offer can be submitted, so the public interests are not only involved but it is informed.

Now have you considered just this, because the only thing that keeps this from under that is simply the exemption of 182 which says it shall not apply to the Railway Act.

Secretary WIRTZ. If your question is whether I have considered it, I have not. If your question, as I understand it to be, is whether there could be legislation which would take that form, and apply in effect the 80-day period series of things on top of this one, that would be a possibility.

Mr. ADAMS. As to what happens, you would simply repeal the exemption section. This would then apply as a general law applying to all labor relations as it presently does.

Secretary WIRTZ. I would have to think through the question of whether there would be more refined amendments that would have to be made.

Mr. ADAMS. There might be, but I mean basically what I am saying is, you pull out the exemption, the general law would apply, with whatever technical changes.

Secretary WIRTZ. This is a matter of legislative form. There could unquestionably be the addition of an 80-day period of that kind to the present situation.

Mr. ADAMS. Right. But what I am talking about is we would use the general law, rather than special strike legislation.

Secretary WIRTZ. I think it would be a good deal more complicated than just changing that one provision, and if you did that, Mr. Adams, you would open up a Pandora's box about all other cases in the transportation industry, because if you made both the Railway Labor Act and the Taft-Hartley Act applicable to all cases in order to avoid applying this to only five, I cannot think through the implications of it.

Mr. ADAMS. All right. The reason that I mentioned this is the next question.

If the remaining airlines are placed in the same situation, does it at some point arrive at the standards imperiling the national health and safety which is the Taft-Hartley Act standard?

Secretary WIRTZ. If all airlines in the country went down at the same time? I do not know how to answer that question.

Mr. ADAMS. All right. I ask this. Is there some necessity at this point—and I noticed you mentioned there was an early agreement for everyone to bargain together, and this is where the public interest it seems to me continually becomes involved in the transportation industry. We are hooking all of our employers together and all of our locals together, so even though I understand several or a number of locals voted for this, it may have been the locals of a whole line, since for example, they cannot break the pattern so that you get any flexibility of, say, one breaking or one settling at all; is that correct?

Secretary WIRTZ. Yes, sir.

Mr. ADAMS. Should we operate on that point also?

Secretary WIRTZ. I do not mean to duck the question. I think that as we come to the broader considerations, there is no problem, that will be the crux of the whole argument as to whether there should be unified bargaining or whether there should be separate bargaining, and we will find as we get into it that on both sides, on both management and labor, there is disagreement with respect to those points, and the public is not quite clear about it either.

You see, the alternative is what has been identified as whipsawing, which permits one pair of parties, either the union or the company, as the case may be, depending on where the balance of power is, to operate with less restraint—

Mr. ADAMS. In terms of the public interest it breaks up the monolith on both sides.

Secretary WIRTZ. It does. There would be a balancing of that against the public's concern about whatever would be the results of this whipsawing which might lead to less responsible end result. It is a hard balance. It is a central balance. I think you have put your finger right on the key factor which we will be considering in the future in the transportation industry.

Mr. ADAMS. The think I am bothered about is that we have been skirting this now.

Secretary WIRTZ. Yes, sir.

Mr. ADAMS. Since World War II.

Secretary WIRTZ. We have.

Mr. ADAMS. And it seems to me that we are coming up again with specialized pieces of legislation on a particular strike that may have the effect of breaking the strike or may have the effect of precluding the final economic essentials, and I am worried about the fact, taking

the economic effects of it, I happen to be in an area where there are probably more machinists that are ultimately in a position to be harmed by this than there are all the locals that are out.

As I understand it there are only about 35,000 out of a total membership of a million or two.

Secretary WIRTZ. That is correct.

Mr. ADAMS. Thank you. I have no further questions.

The CHAIRMAN. Are there further questions of this witness? I might remind the committee that we have two others who will be before this committee next Monday or Tuesday that I think most of our questions will be directed to.

The Secretary has been very patient and kind in coming, and I hope that if there are any questions, they will be very brief. Do you have a question?

Mr. DINGELL. I have a few more questions.

Secretary WIRTZ. Please not in my interests, Mr. Chairman.

The CHAIRMAN. No, I am not talking about your interests. I am talking of the interests of the whole pattern.

Secretary WIRTZ. Yes, sir.

Mr. MOSS. Just one moment, Mr. Chairman. We asked certain information yesterday. Has that been supplied?

Secretary WIRTZ. Let me ask you one question. In response to your question and my instructions, I have had prepared a table covering straight time average hourly earnings for selected maintenance occupations, but this is in manufacturing establishments. When it was brought to me, I am not sure whether it is that which you want, or whether you want that information outside manufacturing establishments. If you want it for manufacturing establishments in selected areas, I have it.

Mr. MOSS. Let me define rather quickly what I want.

Secretary WIRTZ. All right.

Mr. MOSS. For instance, I noticed that the San Francisco locals overwhelmingly rejected this settlement. I also noted there has been a pattern of wage increase in the bay area in northern California very substantially in excess of the guidelines. I know that is true in my own immediate area.

I also notice that the cost-of-living factors there may vary from other sections of the Nation.

Secretary WIRTZ. That is correct.

Mr. MOSS. I want to have the average hourly wages of equally skilled persons, whether in manufacturing, maintenance, or in the vocations.

Secretary WIRTZ. I have half of what you want and will be glad to file that, that is those in the manufacturing establishments. When I got it I thought it was not in complete compliance with your inquiry, and, therefore, will supply the rest of it on Monday.

(The information referred to appears on p. 76.)

Mr. MOSS. One other point, Mr. Chairman. I wouldn't want to appear naive, but I would voice the strong hope that this weekend not be wasted by any of the parties to this dispute. I don't agree that the burden rests on one or the other at this moment. I think it is a joint responsibility to make every effort to settle this before we have to act.

The CHAIRMAN. The gentleman from Michigan.

Mr. DINGELL. Thank you, Mr. Chairman. I will be as brief as I possibly can. Mr. Secretary, have you submitted to the committee a text of the settlement arrived at in the White House last weekend?

Secretary WIRTZ. No, we have not.

Mr. DINGELL. I think it would be extremely helpful because I don't believe this is in the record.

Secretary WIRTZ. It will be in memorandum form and it will be submitted.

Mr. DINGELL. Could you perhaps, in the interests of saving time, also give us a summary of the provisions upon which there was agreement between the leadership of the union and—

Secretary WIRTZ. That is about all there is, Mr. Dingell. It was never developed and spelled out in detail, so the two would be the same.

Mr. DINGELL. We will then have a brief memorandum on this.

(The information requested appears on p. 161.)

Mr. DINGELL. Now, there are a series of questions flowing from that. You have given us generally to understand the economic issues or points which were in issue in the rejection by the locals and by the membership, is that correct?

Secretary WIRTZ. Yes, sir.

Mr. DINGELL. Would you, if you could, please give us a statement of those economic points which were at issue between the locals and their membership and the international leadership of the IAM?

Secretary WIRTZ. Those were all cleared up in the final settlement I think, were they not, or were there some left over?

Mr. DINGELL. No, I am referring if you please to the grounds for which the locals and the membership voted rejection of the memorandum of settlement which we have been discussing. Do you understand my point, Mr. Secretary? In other words, give us as carefully as you can the reasons insofar as you understand them, why the membership rejected the proposed settlement.

Secretary WIRTZ. I would hesitate, Mr. Dingell, Mr. Chairman, with your understanding, in going on that point beyond what I did yesterday, which was to presume upon an area in which other witnesses will have a larger knowledge.

Mr. DINGELL. I understand the concern, Mr. Chairman, but I think these points are very important.

The CHAIRMAN. I think they are too, but I don't think the Secretary can read the people's minds who voted against this.

Mr. DINGELL. I am not—

Secretary WIRTZ. That is in the record, Mr. Dingell.

Mr. DINGELL. There is a very important point here in terms of the broad national labor policy and I want to have a full understanding of the question.

Secretary WIRTZ. That is in the record, Mr. Dingell, and I reaffirm my testimony of yesterday.

Mr. DINGELL. Then can you tell us were there other issues apart from the economic issues which were involved?

Secretary WIRTZ. Which were involved in the beginning or which were left unresolved?

Mr. DINGELL. Which were sufficiently unresolved that the membership voted to reject the proposed settlement?

Mr. REYNOLDS. Mr. Dingell, when the case got before the Emergency Board there were some 40 local issues involving these 5 lines, local in the sense that they applied only to 1 of the 5 airlines.

Mr. DINGELL. I understand.

Mr. REYNOLDS. One of the carriers had settled all of those, namely, National. That left 40 issues involving 4 carriers.

Mr. DINGELL. Which would have to be resolved before that particular carrier would go back to work.

Mr. REYNOLDS. That is correct. Now at the closing hours of mediation on Friday night a week ago, those issues were resolved by the parties, but to say that they were resolved satisfactorily in terms of the reaction of the men is another question. Many of these letters to which the Secretary has referred reflect the fact that in some cases it was local issues which disturbed the men and created the disquiet which resulted in a negative vote on the national issues.

Mr. DINGELL. Then let me ask you this question. Has there been any thought given by your agency to requesting the international to resubmit that memorandum to the membership for further consideration?

Mr. REYNOLDS. I don't think that is the problem, if I may say so, Mr. Dingell. I think the problem is that the membership rejected in many instances the resolution of local issues. Now it will be up to the union to restructure or redefine or rename their demands, and whether they can be met in a matter satisfactory to the men is again a question.

Mr. DINGELL. I yield to the gentleman from California.

Mr. MOSS. I just wonder, has there been any indication that they have restructured their request?

Mr. REYNOLDS. Have there been any indications that they have restructured, that they can, Mr. Moss? I am terribly sorry.

Mr. MOSS. Or have they? Have they been requested?

Mr. REYNOLDS. The union negotiating committee is meeting every day. Many of the members of it are here. They are meeting again tomorrow, to consider their problem and what they are going to present to management the next time they meet them across the table. The reports are coming into them. They are being analyzed, evaluated, to determine what were the areas which resulted in the negative vote.

Mr. MOSS. Is there a next time scheduled now?

Mr. REYNOLDS. The answer to that is "No." I am in constant touch with the parties each day a number of times, and when there is an appropriate moment, hopefully in the matter of not days but hours, they will be back in contact.

Mr. DINGELL. Now the next question—I am sorry, Mr. Chairman, but I think these are important questions.

The CHAIRMAN. Go ahead. You have got about another minute to your 5-minute period.

Mr. DINGELL. Now it has come to my attention that it is possible that other issues such as loss of existing long-established contract rights have been lost in the contractual settlement. Have there been any longstanding contractual rights, work conditions and matters of this kind that have been lost by the union members in the proposed memorandum of settlement?

Mr. REYNOLDS. I don't think I would define it that way, no. There was an effort on the part of management to recover or recapture or to gain certain "management prerogatives," and there was an effort on the part of the union, on the other hand, to get back things which had been granted in previous years. So that it was a two-sided proposition with respect to local issues, but you have hit a very important point, Mr. Dingell, in these negotiations, and in the referendum.

There were areas of serious concern on the part of rank and file people over local issues involving matters other than strict economic things, wages, holidays, those things. Work practices, the right of management to do certain things which they did not like, and vice versa.

Mr. DINGELL. Has there been any consultation with other unions on these points with the aim of securing either their help in working out the controversy, or perhaps even in achieving their assistance in mediation efforts that you have been making?

Mr. REYNOLDS. No, there has not, and quite frankly I would question the efficacy of such a suggestion.

Mr. DINGELL. Now let me just ask this. I want to reiterate Mr. Moss' request for additional information on wages and salary scales on an area by area basis. I think that is extremely important to the committee, but I want to ask you one very flat question that I think is perhaps the nub of the whole problem and question before the committee and that is this:

If this committee, if the Congress reports Senate Joint Resolution 186 or something very similar to it, is there a prospect that the enactment of that would result in settlement of the issues during the time period authorized in the legislation, or would we be faced at a future time with the possibility of having this issue again brought to us for resolution by the Congress?

Secretary WIRTZ. I have said, Mr. Dingell, that I would expect to see it settled within that period. But I could make no guarantee of it, but would expect to see it settled within the period.

Mr. DINGELL. You are aware, Mr. Secretary, that the issues in the railroad strike of some time ago, which this Congress was compelled to act upon, have not yet been fully resolved?

Secretary WIRTZ. Yes, sir.

Mr. DINGELL. And that there is hanging over our heads at this moment a fair prospect that they may break down into a labor dispute which would result in a walkout or a strike and lockout, is that correct?

Secretary WIRTZ. With the first part of the statement I would concur that there is still a serious problem with respect to those issues.

Mr. DINGELL. Now lastly, let me just ask one further question, Mr. Chairman, and then I will yield the floor. The problem that this committee has is one involving the whole structure of free collective bargaining in this country. You have indicated to us that the reasons we are at this impasse is that at least temporarily collective bargaining has broken down in this particular set of circumstances.

Secretary WIRTZ. Yes, sir.

Mr. DINGELL. Or perhaps better, that it has not yet worked to a satisfactory resolution of a dispute. How are we going to know that if this committee takes this action, that we will not be compelled on

a fairly regular basis to resolve by congressional actions labor disputes of substantially similar nature and gravity in substantially similar national interests affecting industries?

Secretary WIRTZ. I respect that as a statement of possibility which I could add very little to by way of an answer.

Mr. DINGELL. As a matter of fact we would have established fairly clearly a precedent which might very well place this kind of problem in our laps for resolution almost every time, am I correct?

Secretary WIRTZ. Again, it seems to me that what you have done is state a position. If it is in the form of a question really, Mr. Dingell, I respect it as a statement of position.

Mr. DINGELL. I offer it as a question.

Secretary WIRTZ. All right, then my answer would necessarily include a summarization of my answer to similar questions that have been put before. I have said without any reservations that any action that is taken at any point which involves legislative governmental determination of any kind of collective bargaining dispute does have a weakening influence on the exercise of private responsibility. Every time we have done it, that has happened. I have said too in answer to that question that I respect the fact that in particular situations, one of them the railroad case in 1963, collective bargaining proved so inadequate that it is necessary to take some particular action. That there is a balance between this, which I think is really what brings us together here.

So with respect to the broad proposition about the weakening effect of any governmental action, I respond just as I have to the previous questions, yes. I do it in the context of recognizing that that is not an answer absolute, and that nobody would be entitled to say that at any cost collective bargaining must be left free. I have said before that at some point I recognize the fact that the public draws a line in the sand and says "We won't take any more," and so that is really the issue before us.

Mr. DINGELL. Thank you, Mr. Chairman.

Secretary WIRTZ. Mr. Chairman, I am now in a position to give you the information which Mr. Moss and Mr. Dingell have both asked for. I find that I do have it, Mr. Moss, both in terms of the straight time average hourly earnings for selected maintenance occupations in manufacturing establishments, and in selected building trades. It covers carpenters, electricians, machinists, mechanics, pipefitters, sheet metal workers, and then on the selected building trades, bricklayers, carpenters, electricians, painters. If I may file those with the committee, Mr. Chairman, in response to Mr. Moss' question.

The CHAIRMAN. It will be included in the record.
(The information referred to follows:)

AIRLINE LABOR DISPUTE

Straight time average hourly earnings for selected maintenance occupations in manufacturing establishments in selected metropolitan areas, October 1965-May 1966¹

Metropolitan areas and survey date	Carpenters, maintenance			Electricians, maintenance			Machinists, maintenance		
	Number of workers	Mean	Middle range ²	Number of workers	Mean	Middle range ²	Number of workers	Mean	Middle range ²
Atlanta (May 1966)	61	\$2.99	\$2.44-\$3.47	310	\$3.47	\$3.25-3.76	300	\$3.20	\$2.87-\$3.56
Boston (October 1965)	258	3.06	2.84-3.25	768	3.23	3.04-3.43	821	3.20	3.00-3.46
Chicago (April 1966)	530	3.31	3.09-3.51	2,595	3.60	3.40-3.75	3,118	3.65	3.41-3.82
Dallas (November 1965)	(¹)			191	3.17	2.88-3.62	71	2.92	2.59-3.19
Kansas City (November 1965)	135	3.50	3.35-3.58	568	3.61	3.50-3.79	637	3.61	3.50-3.90
Los Angeles (March 1966)	729	3.40	3.29-3.54	1,822	3.67	3.50-3.70	1,805	3.49	3.18-3.74
Minneapolis (January 1966)	107	3.26	3.01-3.48	3,327	3.68	3.54-3.92	567	3.60	3.51-3.65
New York (April 1966)	313	3.37	3.11-3.58	914	3.50	3.21-3.83	909	3.72	3.29-4.08
Philadelphia (November 1965)	568	3.32	3.11-3.71	1,897	3.34	3.14-3.54	1,874	3.40	3.13-3.70
San Francisco (January 1966)	182	3.74	3.60-3.79	1,586	3.88	3.58-4.22	1,094	3.86	3.72-3.97
Total.....	2,912	3.35		9,908	3.54		11,086	3.55	

Metropolitan areas and survey date	Mechanics, maintenance			Pipefitters, maintenance			Sheet-metal workers, maintenance		
	Number of workers	Mean	Middle range ²	Number of workers	Mean	Middle range ²	Number of workers	Mean	Middle range ²
Atlanta (May 1966)	465	\$2.75	\$2.32-\$3.20	130	\$3.50	\$3.48-\$3.68	(¹) 155	\$3.18	\$3.00-\$3.29
Boston (October 1965)	1,237	2.92	2.53-3.34	425	3.19	3.04-3.35	277	3.54	3.41-3.69
Chicago (April 1966)	3,009	3.37	3.14-3.63	1,044	3.58	3.39-3.72	(¹) 58		
Dallas (November 1965)	582	2.80	2.71-3.00	(¹) 374			111	3.62	3.47-3.76
Kansas City (November 1965)	448	3.31	3.09-3.50	453	3.56	3.50-3.65	65	3.56	3.43-3.57
Los Angeles (March 1966)	2,534	3.40	3.21-3.57	1,293	3.70	3.51-3.77	79	3.52	3.11-3.46
Minneapolis (January 1966)	470	3.14	2.94-3.25	263	3.43	3.23-3.63	219	3.58	3.41-3.78
New York (April 1966)	1,373	3.41	3.16-3.50	1,310	3.39	3.21-3.51	96	3.30	3.14-3.45
Philadelphia (November 1965)	2,135	3.20	2.95-3.44	1,389	3.80	3.65-3.79			
San Francisco (January 1966)	727	3.58	3.34-3.74	4,511	3.51		1,025	3.65	3.56-3.78
Total.....	13,010	3.27						3.44	

¹ Information is limited to establishments with 50 employees or more in most areas, to 100 or more in the larger areas.

² Range in which earnings of middle half of workers fall.

³ Too few workers to justify presenting information.

Source: U.S. Department of Labor, Bureau of Labor Statistics, area wage surveys.

DESCRIPTIONS FOR SELECTED JOBS STUDIED ON A CROSS-INDUSTRY BASIS

MAINTENANCE AND POWERPLANT JOBS

Carpenter, maintenance. 11-301-0

Performs the carpentry duties necessary to construct and maintain in good repair building woodwork and equipment such as bins, cribs, counters, benches, partitions, doors, floors, stairs, casings, and trim made of wood in an establishment. Work involves *most of the following*: Planning and laying out of work from blueprints, drawings, models, or verbal instructions; using a variety of carpenter's handtools, portable power tools, and standard measuring instruments; making standard shop computations relating to dimensions of work; selecting materials necessary for the work. In general, the work of the maintenance carpenter requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience.

Electrician, maintenance. 11-302-0

Performs a variety of electrical trade functions such as the installation, maintenance, or repair of equipment for the generating, distribution, or utilization of electric energy in an establishment. Work involves *most of the following*: Installing or repairing any of a variety of electrical equipment such as generators, transformers, switchboards, controllers, circuit breakers, motors, heating units, conduit systems, or other transmission equipment; working from blueprints, drawings, layout, or other specifications; locating and diagnosing trouble in the electrical system or equipment; working standard computations relating to load requirements of wiring or electrical equipment; using a variety of electrician's handtools and measuring and testing instruments. In general, the work of the maintenance electrician requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience.

Engineer, stationary. 11-303-0

Operates and maintains and may also supervise the operation of stationary engines and equipment (mechanical or electrical) to supply the establishment in which employed with power, heat, refrigeration, or air-conditioning. Work involves: Operating and maintaining equipment such as steam engines, air compressors, generators, motors, turbines, ventilating and refrigerating equipment, steam boilers and boiler-fed water pumps; making equipment repairs; keeping a record of operation of machinery, temperature, and fuel consumption. *May also supervise these operations. Head or chief engineers in establishments employing more than one engineer are excluded.*

Fireman, stationary boiler. 11-304-0

Fires stationary boilers to furnish the establishment in which employed with heat, power, or steam. Feeds fuels to fire by hand or operates a mechanical stoker gas, or oil burner; checks water and safety valves. *May clean, oil, or assist in repairing boilerroom equipment.*

Helper, maintenance trades. 11-305-0

Assists one or more workers in the skilled maintenance trades, by performing specific or general duties of lesser skill, such as keeping a worker supplied with materials and tools; cleaning working area, machine, and equipment; assisting worker by holding materials or tools; performing other unskilled tasks as directed by journeyman. The kind of work the helper is permitted to perform varies from trade to trade: In some trades the helper is confined to supplying, lifting, and holding materials and tools and cleaning working areas; and in others he is permitted to perform specialized machine operations, or parts of a trade that are also performed by workers on a full-time basis.

Machine-tool operator, toolroom. 11-306-0

Specializes in the operation of one or more types of machine tools, such as jig borers, cylindrical or surface grinders, engine lathers, or milling machines in the construction of machine-shop tools, gauges, jigs, fixtures, or dies. Work involves *most of the following*: Planning and performing difficult machining operations; processing items requiring complicated setups or a high degree of accuracy; using a variety of precision measuring instruments; selecting feeds, speeds, tooling and operation sequence; making necessary adjustments during operation to achieve requisite tolerances or dimensions. *May be required to recognize when tools need dressing, to dress tools, and to select proper coolants and cutting and lubricating oils. For cross-industry wage study purposes,*

machine-tool operators, toolroom, in tool and die jobbing shops are excluded from this classification.

Machinist, maintenance. 11-307-0

Produces replacement parts and new parts in making repairs of metal parts of mechanical equipment operated in an establishment. Work involves *most of the following*: Interpreting written instructions and specifications; planning and laying out of work; using a variety of machinist's handtools and precision measuring instruments; setting up and operating standard machine tools; shaping of metal parts of close tolerances; making standard shop computations relating to dimensions of work, tooling, feeds and speeds of machining; knowledge of the working properties of the common metals; selecting standard materials, parts, and equipment required for his work; fitting and assembling parts into mechanical equipment. In general, the machinist's work normally requires a rounded training in machine-shop practice usually acquired through a formal apprenticeship or equivalent training and experience.

Mechanic, automotive (maintenance). 11-309-0

Repairs automobiles, buses, motortrucks, and tractors of an establishment. Work involves *most of the following*: Examining automotive equipment to diagnose source of trouble; disassembling equipment and performing repairs that involve the use of such handtools as wrenches, gauges, drills, or specialized equipment in disassembling or fitting parts; replacing broken or defective parts from stock; grinding and adjusting valves; reassembling and installing the various assemblies in the vehicle and making necessary adjustments; alining wheels, adjusting brakes and lights, or tightening body bolts. In general, the work of the automotive mechanic requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience.

Mechanic, maintenance. 11-310-0

Repairs machinery or mechanical equipment of an establishment. Work involves *most of the following*: Examining machines and mechanical equipment to diagnose source of trouble; dismantling or partly dismantling machines and performing repairs that mainly involve the use of handtools in scraping and fitting parts; replacing broken or defective parts with items obtained from stock; ordering the production of a replacement part by a machine shop or sending of the machine to a machine shop for major repairs; preparing written specifications for major repairs or for the production of parts ordered from machine shop; reassembling machines; and making all necessary adjustments for operation. In general, the work of a maintenance mechanic requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience. Excluded from this classification are workers whose *primary duties* involve setting up or adjusting machines.

Millwright. 11-311-0

Installs new machines or heavy equipment and dismantles and installs machines or heavy equipment when changes in the plant layout are required. Work involves *most of the following*: Planning and laying out of the work; interpreting blueprints or other specifications; using a variety of handtools and rigging; making standard shop computations relating to stresses, strength of materials, and centers of gravity; alining and balancing of equipment; selecting standard tools, equipment, and parts to be used; installing and maintaining in good order power transmission equipment such as drives and speed reducers. In general, the millwright's work normally requires a rounded training and experience in the trade acquired through a formal apprenticeship or equivalent training and experience.

Oiler. 11-312-0

Lubricates, with oil or grease, the moving parts or wearing surfaces of mechanical equipment of an establishment.

Painter, maintenance. 11-313-0

Paints and redecorates walls, woodwork, and fixtures of an establishment. Work involves *the following*: Knowledge of surface peculiarities and types of paint required for different applications; preparing surface for painting by removing old finish or by placing putty or filler in nail holes and interstices; applying paint with spray gun or brush. May mix colors, oils, white lead, and other paint ingredients to obtain proper color or consistency. In general, the work of the maintenance painter requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience.

Pipefitter, maintenance. 11-314-0

Installs or repairs water, steam, gas, or other types of pipe and pipe fittings in an establishment. Work involves *most of the following*: Laying out of work and measuring to locate position of pipe from drawings or other written specifications; cutting various sizes of pipe to correct lengths with chisel and hammer or oxy-acetylene torch or pipe-cutting machine; threading pipe with stocks and dies; bending pipe by hand-driven or power-driven machines; assembling pipe with couplings and fastening pipe to hangers; making standard shop computations relating to pressures, flow, and size of pipe required; making standard tests to determine whether finished pipes meet specifications. In general, the work of the maintenance pipe fitter requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience. *Workers primarily engaged in installing and repairing building sanitation or heating systems are excluded.*

Plumber, maintenance. 11-315-0

Keeps the plumbing system of an establishment in good order. Work involves: Knowledge of sanitary codes regarding installation of vents and traps in plumbing system; installing or repairing pipes and fixtures; opening clogged drains with a plunger or plumber's snake. In general, the work of the maintenance plumber requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience.

Sheet-metal worker, maintenance. 11-316-0

Fabricates, installs, and maintains in good repair the sheet-metal equipment and fixtures (such as machine guards, grease pans, shelves, lockers, tanks, ventilators, chutes, ducts, metal roofing) of an establishment. Work involves *most of the following*: Planning and laying out all types of sheet-metal maintenance work from blueprints, models, or other specifications; setting up and operating all available types of sheet-metal-working machines; using a variety of handtools in cutting, bending, forming, shaping, fitting, and assembling; installing sheet-metal articles as required. In general, the work of the maintenance sheet-metal worker requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience.

Tool and die maker. 11-317-0

(Die maker; jig maker; tool maker; fixture maker; gauge maker)

Constructs and repairs machine-shop tools, gauges, jigs, fixtures or dies for forgings, punching and other metal-forming work. Work involves *most of the following*: Planning and laying out of work from models, blueprints, drawings, or other oral and written specifications; using a variety of tool and die maker's handtools and precision measuring instruments, understanding of the working properties of common metals and alloys; setting up and operating of machine tools and related equipment; making necessary shop computations relating to dimensions of work, speeds, feeds, and tooling of machines; heattreating of metal parts during fabrication as well as of finished tools and dies to achieve required qualities; working to close tolerances; fitting and assembling of parts to prescribed tolerances and allowances; selecting appropriate materials, tools, and processes. In general, the tool and die maker's work requires a rounded training in machine-shop and toolroom practice usually acquired through a formal apprenticeship or equivalent training and experience.

For cross-industry wage study purposes, tool and die makers in tool and die jobbing shops are excluded from this classification.

AIRLINE LABOR DISPUTE

Union hourly wage scales and employer insurance, pension, and vacation payments for selected building trades in 100 cities, July 1, 1968
(preliminary)

City	Bricklayers			Carpenters			Electricians			Painters		
	Basic scale ¹	Employer contribution to fund		Basic scale ¹	Employer contribution to fund		Basic scale ¹	Employer contribution to fund		Basic scale ¹	Employer contribution to fund	
		Insurance ²	Pension		Vacation pay ³	Insurance ²		Pension	Vacation pay ³		Insurance ²	Pension
Albuquerque, N. Mex.	\$4.880			\$4.250	10%	15%	\$4.675	15%	1%	\$3.825		
Atlanta, Ga.	4.750	15%		4.000	10%		4.300	10%	1%	4.250		
Baltimore, Md.	4.800	10%		4.180	14%		4.800	10%	1%	4.240		
Birmingham, Ala.	4.650			3.900			4.350	15%		4.000	7½%	
Boise City, Idaho	4.375			4.150	10%	10%	4.550			4.000		
Boston, Mass.	5.300		15%	4.750	15%	15%	5.250	17%	1%+10%	4.450	12%	12½%
Buffalo, N. Y.	5.020	20%		4.515	15%	20%	5.380	20%	1%+10%	4.125	27½%	25%
Burlington, Vt.	4.850	20%		3.850	15%		4.350			(0)	(0)	(0)
Butte, Mont.	4.875			4.225	12½%		4.300	20%	1%	3.900	10%	(0)
Charleston, S.C.	3.700			3.150			4.150	1%	1%	(0)	(0)	(0)
Charleston, W. Va.	4.850			4.475	10%	15%	4.450	15%		3.650		(0)
Charlotte, N. C.	4.000			3.350			3.700	1%	1%	(0)	(0)	(0)
Chattanooga, Tenn.	4.825		20%	3.950			4.450	1%	1%	3.000		(0)
Cheyanne, Wyo.	4.500			3.850			4.550	1%	1%	3.500		(0)
Chicago, Ill.	5.250	20%		5.200	15%	15%	4.900	4%	4%+15%	4.600	17½%	20%
Cincinnati, Ohio	4.775	15%		4.550	20%	20%	4.900	15%	1%+18%	4.200		
Cleveland, Ohio	5.160	20%		5.150	18%	28%	5.230	15%	1%+1%	4.710	20%	21%
Columbia, S.C.	3.500			3.100			4.000			3.250		
Columbus, Ohio	4.600	10%	15%	4.210	15%	15%	4.400	13%	1%+20%	3.775	12½%	10%
Dallas, Tex.	4.650	12½%		4.250	12%	10%	4.425	12½%	1%	4.125	12½%	
Dayton, Ohio	4.900	15%		4.500	12%	10%	4.980	15%	1%+15%	4.100	16%	
Denver, Colo.	4.700	15%		4.505			4.770	15%	1%	3.975	15%	
Des Moines, Iowa	4.975			4.300	7½%	15%	4.700	15%	1%	4.050		17½%
Detroit, Mich.	5.000	15%	6%	4.630	15%	6%	5.200	24%	1%+20%	4.100	20%	30%
Duluth, Minn.	4.320	10%	10%	3.895	10%	10%	4.350	8%	3%	3.700	10%	10%
El Paso, Tex.	4.350			4.075			4.600			13.410		
Erie, Pa.	4.820	18%		4.365	10%	10%	4.700	15%	1%	3.950		

AIRLINE LABOR DISPUTE

City	Plasterers				Plumbers				Building laborers				
	Basic scale 1	Employer contribution to fund		Vacation pay 2	Basic scale 1	Insurance 2	Employer contribution to fund		Vacation pay 3	Basic scale 1	Insurance 2	Employer contribution to fund	
		Insurance 2	Pension				Insurance 2	Pension				Insurance 2	Pension
Albuquerque, N. Mex.	\$4,250	*12½¢			\$4,650	14¢	12½¢			\$3,030	10¢		
Atlanta, Ga.	4,350	15¢			*4,800	10¢	*15¢			*2,550	10¢		
Baltimore, Md.	4,300				14,630	*20¢	10½¢			2,775	5¢	5¢	
Birmingham, Ala.	3,970				4,400	12¢	10¢			2,600			
Boise City, Idaho	4,220	20¢			4,400	9¢	9¢			3,350	10¢		
Boston, Mass.	4,900		()		5,300	20¢	20¢			*3,650	15¢	15¢	
Buffalo, N. Y.	5,210	20¢			4,780	20¢	10¢			*3,635	*25¢	15¢	
Burlington, Vt.	4,880	20¢	*20¢		4,450	*25¢	10¢			2,650	15¢		
Butte, Mont.	4,250				4,800	20¢				3,200	7½¢		
Charleston, S. C.	3,450				4,100	10¢				*1,675	10¢	*10¢	
Charleston, W. Va.	4,250	()			4,320		*15¢	*20¢		()	()	()	()
Charlotte, N. C.	4,050				3,900	*15¢				2,600			
Chattanooga, Tenn.	4,450				4,550	10¢				2,700			
Cheyenne, Wyo.	5,025	10¢	0¢		4,350	20¢	*25¢	15¢		*3,825	*10¢	*22½¢	
Chicago, Ill.	4,175	15¢	*30¢		5,250	13¢	10¢			3,650	10¢		
Cincinnati, Ohio	5,310				4,885	13¢	10¢			4,270			
Cleveland, Ohio	3,900				5,190	*16¢	*16¢			()	()	()	*15¢
Columbia, S. C.	4,300	15¢	10¢		4,100	10¢				3,440			()
Columbus, Ohio	4,800				4,645	10¢				*2,425			
Dallas, Tex.	4,253	12½¢			4,350	10¢	17¢			*3,465	11 7½¢		
Dayton, Ohio	4,660		10¢		4,850	10¢	10¢			3,200			
Denver, Colo.	4,700				4,610	14¢	10¢	12¢		*3,550	*10¢		
Des Moines, Iowa	4,575				5,000	20¢	12½¢	*20¢		*3,800	15¢	3%	11 10¢
Detroit, Mich.	4,080	20¢	*18¢	4%	4,800	*12¢	13½¢	*7 51½¢	4%	2,300	10¢		
Duluth, Minn.	4,175	10¢			4,275	10¢	25¢			2,300	10¢		
El Paso, Tex.	14,275				4,300					*3,425	10¢	10¢	
Erie, Pa.	4,450	10¢			4,525	15¢	10¢						

See footnotes at end of table, p.83.

AIRLINE LABOR DISPUTE

Union hourly wage scales and employer insurance, pension, and vacation payments for selected building trades in 100 cities, July 1, 1966
(preliminary)—Continued

City	Bricklayers				Carpenters				Electricians				Painters			
	Employer contribution to fund				Employer contribution to fund				Employer contribution to fund				Employer contribution to fund			
	Basic scale ¹	Insur- ance ²	Pension	Vaca- tion pay ³	Basic scale ¹	Insur- ance ²	Pension	Vaca- tion pay ³	Basic scale ¹	Insur- ance ²	Pension	Vaca- tion pay ³	Basic scale ¹	Insur- ance ²	Pension	Vaca- tion pay ³
Evansville, Ind.	\$4.750				\$4.150	15¢	10¢		\$4.410			1%	\$4.000	15¢		
Fargo, N. Dak.	4.550				3.750				4.000				4.000			
Grand Rapids, Mich.	4.750	15¢			4.200	13¢	10¢	11¢	4.730	11¢		4%	3.990	13¢		
Hartford, Conn.	4.750	10¢			4.550	10¢	15¢		5.150	10¢			4.200	15¢		10¢
Houston, Tex.	4.650	12½¢			4.550	7½¢			4.570	11¢			4.185	7½¢		
Indianapolis, Ind.	4.800				4.550				4.625	2%			4.100			
Jackson, Miss.	4.100				3.500				4.300				3.000			
Jacksonville, Fla.	4.250				3.950				4.400				3.600			
Kansas City, Mo.	4.900	10¢			4.350	15¢			4.400	10¢			4.170	12½¢		8¢
Knoxville, Tenn.	4.425				3.725				4.850				4.000			
Las Vegas, Nev.	4.950	15¢			4.360	13¢	10¢		4.940	11¢			4.230	15¢		
Leavenworth, Kan.	5.070	15¢			5.170	10¢	10¢	40¢	6.050	13¢			5.200	15¢		30¢
Little Rock, Ark.	4.300				3.725	15¢			4.850	15¢			3.625			
Los Angeles, Calif.	4.950	24¢			4.830	23¢	30¢	15¢	5.580	20¢			4.920	17½¢		20¢
Los Angeles, Calif.	4.455	14½¢			4.125	15¢	15¢		4.095	13¢			3.820	10¢		10¢
Madison, Wis.	4.700				4.250				4.840				3.960	15¢		
Manchester, N.H.	4.850	17½¢			4.150	12¢	15¢		4.300	15¢			3.200	12½¢		10¢
Memphis, Tenn.	4.800	20¢			4.150				4.625	15¢			3.300			
Miami, Fla.	4.270	20¢			4.100	20¢			4.525	15¢			4.000			
Milwaukee, Wis.	4.460	15¢			4.510	15¢	15¢	15¢	4.550	15¢		3%	3.570	20¢		
Minneapolis, Minn.	4.405	15¢			4.130	15¢	15¢	20¢	4.000	13½¢			4.290	15¢		15¢
Mobile, Ala.	4.935	15¢			4.250	15¢	15¢	15¢	4.400	4¢		3%	4.100	15¢		15¢
Montreal, Que., Can.	3.900				3.700				4.450	10¢			4.175			
Nashville, Tenn.	4.300				4.050				3.550				3.350			
Newark, N.J.	4.800	20¢			5.810	6%	6%		4.300	10¢			3.850			
New Haven, Conn.	4.900	10¢			4.500	10¢	15¢		5.500	4%		7 10%	4.800	27¢		23¢
New Orleans, La.	4.230	10¢			4.000	10¢	10¢		4.750	15¢			4.250	10¢		20¢
					4.000	10¢	10¢		4.500	10¢		11%+7½¢	3.500			

AIRLINE LABOR DISPUTE

City	Plasterers				Plumbers			Building laborers					
	Basic scale 1	Employer contribution to fund		Basic scale 1	Employer contribution to fund		Basic scale 1	Employer contribution to fund					
		Insurance 2	Pension		Vacation pay 2	Insurance 2		Pension	Vacation pay 3	Insurance 2	Pension	Vacation pay 3	
Evansville, Ind.	\$4,600			*4,580	10¢		*4,580	10¢			10¢		
Fargo, N. Dak.	*4,150			*4,240	10¢		*4,240	10¢				10¢	
Grand Rapids, Mich.	*4,360	*15¢		*4,920	10¢	10¢	*4,920	10¢				8¢	
Hartford, Conn.	4,750	10¢	15¢	*5,100	4%	4%	*5,100	4%				15¢	
Houston, Tex.	*4,525	12¢		*4,400	12½¢	15¢	*4,400	12½¢			20¢		
Indianapolis, Ind.	4,550	10¢		4,550	10¢	*18¢	4,550	10¢				15¢	
Jackson, Miss.	3,550			4,400	10¢		4,400	10¢					
Jacksonville, Fla.	4,000			4,300	10¢	20¢	4,300	10¢				15¢	
Kansas City, Mo.	4,575	*10¢		*4,800	12½¢	15¢	*4,800	12½¢				15¢	
Knoxville, Tenn.	4,100			*4,450	10¢		*4,450	10¢					
Lansing, Mich.	5,200	*15¢	12¢	*4,975	11¢	25¢	*4,975	11¢	25¢			8¢	
Las Vegas, Nev.	4,100	15¢		*5,680	*25¢		*5,680	*25¢				10¢	
Little Rock, Ark.	4,735	18¢		*4,450		35¢	*4,450						25¢
Los Angeles, Calif.	4,200			*5,550	*7½%		*5,550	*7½%				*21½¢	*15¢
Louisville, Ky.	4,200			4,460	15¢	20¢	4,460	15¢	20¢				
Madison, Wis.	4,450	*17½¢		4,470	10¢		4,470	10¢					
Manchester, N. H.	4,850			4,150	5¢	15¢	4,150	5¢	15¢				
Memphis, Tenn.	4,100	10¢		4,620	25¢		4,620	25¢				10¢	
Miami, Fla.	4,170			*4,275			*4,275				11,20¢		
Milwaukee, Wis.	*4,420	15¢	15¢	*4,870	15¢		*4,870	15¢				15¢	
Mobile, Ala.	4,200	15¢		*4,500	13¢	10¢	*4,500	13¢	10¢			15¢	
Minneapolis, Minn.	*4,500	15¢		4,500	15¢	10¢	4,500	15¢	10¢				
Montgomery, Ala.	3,250			4,300	10¢		4,300	10¢					
Nashville, Tenn.	3,850			*4,550	10¢		*4,550	10¢					
Newark, N. J.	*5,650	20¢	*25¢	*4,900	3%	3%	*4,900	3%	3%			20¢	
New Haven, Conn.	4,800	10¢	15¢	4,900	15¢		4,900	15¢				15¢	
New Orleans, La.	*3,900	10¢	10¢	*4,635	10¢		*4,635	10¢				10¢	

See footnotes at end of table, p. 83.

Union hourly wage scales and employer insurance, pension, and vacation payments for selected building trades in 100 cities, July 1, 1966
(preliminary)—Continued

City	Bricklayers				Carpenters				Electricians				Painters			
	Basic scale ¹	Employer contribution to fund			Basic scale ¹	Employer contribution to fund			Basic scale ¹	Employer contribution to fund			Basic scale ¹	Employer contribution to fund		
		Insur- ance ²	Pension	Vaca- tion pay ³		Insur- ance ²	Pension	Vaca- tion pay ³		Insur- ance ²	Pension	Vaca- tion pay ³		Insur- ance ²	Pen- sion	Vaca- tion pay ³
New York, N. Y.	\$5,700	15%+5¢	30¢		\$5,200	5%			\$5,200	3%			\$4,800	6%		
Norfolk, Va.	4,650		20¢		4,200				4,200	110¢			3,450			
Oakland, Calif.	4,475	17¢	20¢	15¢	5,880	*20¢			4,850	15¢			4,970	24½¢		
Oklahoma City, Okla.	4,575		15¢		4,450				4,850	11%+10¢			4,000			
Omaha, Nebr.	4,925	12½¢			4,850				4,875	12¢			4,450			
Philadelphia, Pa.	4,535	*15¢			4,875	15¢			5,375	*15¢			4,220	17½¢		
Pittsburgh, Pa.	5,095	*22¢			5,100	10¢			5,250	20¢			4,100	12½¢		
Phoenix, Ariz.	5,475	17½¢	20¢		4,300	10¢			4,150	10¢			4,550	17½¢		
Portland, Me.	4,300	15¢			4,800	10¢			5,000	15¢			2,750			
Portland, Ore.	4,750	17¢	17¢		4,100	12½¢			4,550	10¢			3,600			
Providence, R. I.	4,825	15¢	20¢		4,000				4,000				3,900			
Raleigh, N. C.	4,350	20¢			3,650				4,000				3,550			
Reading, Pa.	4,000		10¢		3,450				4,775	18¢			2,900			
Richmond, Va.	4,000		20¢		4,300				4,200				3,550			
Rochester, N. Y.	5,385		15¢		4,910				4,775				3,900			
Rock Island, Ill. (Dist.) ¹¹	4,580				4,275				5,100	15¢			3,520			
St. Louis, Mo.	4,405	32¢	57¢		4,975	10¢			5,300	17¢			3,820			
St. Paul, Minn.	4,360	15¢	25¢		4,130	10¢			4,550	3,45¢			4,560			
Salt Lake City, Utah	4,360	11¢	18¢		4,100	10¢			4,780	3,09¢			4,100			
San Antonio, Tex.	4,450				3,940				4,380	10¢			3,750			
San Diego, Calif.	5,100	20¢			4,940				4,380	15¢			4,970			
San Francisco, Calif.	5,600	22½¢	25¢		4,940				5,500	15¢			4,970			
Santa Fe, N. Mex.	4,880		30¢		4,575				5,800	19¢			4,970			
Savannah, Ga.	4,100		10¢		3,500				4,675	15¢			3,350			
Schenectady, N. Y.	4,850	*20¢	10¢		4,300				4,850	20¢			3,375			
					4,300				4,850	10¢			4,000			

City	Plasterers			Plumbers			Building laborers			
	Basic scale ¹	Employer contribution to fund		Basic scale ¹	Employer contribution to fund		Basic scale ¹	Employer contribution to fund		
		Insurance ²	Pension		Vacation pay ³	Insurance ²		Pension	Vacation pay ³	Insurance ²
New York, N.Y.	*\$5,575	55¢	165¢				*\$5,200	5%	5%	
Norfolk, Va.	4,050			3,950	6%		1,900			
Oakland, Calif.	*4,965	22½¢	25¢	*6,470	15¢		3,775	20¢	15¢	1/20
Oklahoma City, Okla.	4,375			*4,700	22¢	*30¢	2,800			
Omaha, Nebr.	*4,400	12½¢		*4,510	12½¢		*3,125	12½¢		
Peoria, Ill.	*5,000	15¢		*4,695	17¢	15¢	3,875			
Philadelphia, Pa.	4,985	20¢		*5,350	16½¢	20¢	*3,350	10¢	10¢	
Phoenix, Ariz.	4,910		*10¢	*4,950	*22½¢	21½¢	*3,485	*17½¢	10¢	
Pittsburgh, Pa.	*5,305	15¢	10¢	5,000	*22½¢	15¢	*3,650	10¢	10¢	
Portland, Maine	4,400			*4,150	15¢	15¢	*2,750	*15¢		
Portland, Ore.	4,600		10¢	4,730	19¢	15¢	3,400	20¢	20¢	
Providence, R.I.	4,775	15¢		*5,000	*20¢	15¢	*3,400	10¢	10¢	
Raleigh, N.C.	*3,250			*4,200			*1,875			
Reading, Pa.	4,375			4,100	11¢		3,010	5¢		
Richmond, Va.	*4,000			4,150			1,900			
Rochester, N.Y.	*5,385		15¢	*5,010	20¢	12¢	*3,930	15¢	15¢	
Rock Island, Ill. (Dist.)	4,600			*11,440	15¢	15¢	*3,410			
St. Louis, Mo.	*4,500	17½¢		*5,405	21½¢	21½¢	*3,875	*15¢	20¢	
St. Paul, Miss.	*4,100	*23¢	42¢	4,500	13¢	10¢	*3,700			
Salt Lake City, Utah.	4,210	15¢		4,650	16¢	20¢	3,075	10¢		
San Antonio, Tex.	4,375			*4,410	10¢	10¢	*2,120			
San Diego, Calif.	4,850		15¢	*5,550	*7½¢	*10¢	*3,905	*20¢	15¢	*20¢
San Francisco, Calif.	5,000	10¢	20¢	*6,440	*70¢	*29½¢	*3,925	*25¢	*20¢	*7.25¢
Santa Fe, N. Mex.	4,250			4,650	14¢	12½¢	*3,030	10¢		
Savannah, Ga.	*3,500			4,150			*1,650			
Schenectady, N.Y.	*4,850	*20¢	10¢	*4,560	*27¢	*11¢	*3,550	15¢	15¢	

See footnotes at end of table, p. 83.

Union hourly wage scales and employer insurance, pension, and vacation payments for selected building trades in 100 cities, July 1, 1966
(preliminary)—Continued

City	Bricklayers				Carpenters				Electricians				Painters				
	Basic scale 1	Employer contribution to fund			Basic scale 1	Employer contribution to fund			Basic scale 1	Employer contribution to fund			Basic scale 1	Employer contribution to fund			
		Insur- ance 2	Pension	Vaca- tion pay 3		Insur- ance 2	Pension	Vaca- tion pay 3		Insur- ance 2	Pension	Vaca- tion pay 3		Insur- ance 2	Pension	Vaca- tion pay 3	
Scranton, Pa.	*\$4,800	17½¢			*\$3,760	15¢	*10¢		\$4,175	17½¢			*\$3,500				
Seattle, Wash.	4,830	15¢		20¢	4,480	20¢	15¢		4,965	14¢			4,400				
Shreveport, La.	4,400				3,700				4,200	*17½¢			3,300				
Sioux Falls, S. Dak.	4,450				3,600				4,250				3,800				
South Bend, Ind.	4,700		9¢	80¢	4,400				4,750	11.8%			4,000				
Spokane, Wash.	4,160	15¢			*4,450	*17¢	*20¢		4,808	15¢	1%	4 4/5%	4,380	13¢	15¢		
Springfield, Mass.	4,800	15¢			4,450	11¢	15¢		4,900	15¢	1%+15¢		4,025	*15¢	*15¢		
Syracuse, N. Y.	*5,150	15¢	10¢		4,770	15¢	10¢		*5,100	15¢	1%+15¢		4,400	15¢			
Tampa, Fla.	4,100	10¢			3,900				4,350	11.5¢	1%		3,450				
Toledo, Ohio	*5,095	*15¢	20¢	5%	4,645	15¢	15¢		4,400	10¢	1%		4,295	15¢	15¢		
Trenton, N. J.	5,050	15¢			4,800	10¢	20¢		5,300	15¢	1%+20¢		4,375	15¢			
Tulsa, Okla.	4,350				3,900				4,625	*8%	1%		3,960				
Washington, D. C.	*5,400				*4,250	9¢	15¢		4,960	15¢	1%+15¢	*7 1/2%	4,620	*15¢			
Wichita, Kan.	4,475				3,825				4,650		1%		3,000				
Wilmington, Del.	*4,750	15¢	15¢		4,450	15¢	*15¢		4,880	3%	1%	15¢	3,900	18¢			
Worcester, Mass.	*5,200	15¢	10¢		4,700				4,750	15¢	10%+15¢		3,000				
York, Pa.	4,070	13¢			*3,665	*10¢	10¢		4,425	*10¢	*1%+10¢		3,150	(9)	*10¢	(9)	
Youngstown, Ohio	*4,950	15¢	15¢		*4,710	15¢	15¢		4,860	15¢	1%	6%	4,415	15¢			

City	Plasterers				Plumbers				Building laborers				
	Basic scale 1	Employer contribution to fund			Basic scale 1	Employer contribution to fund			Basic scale 1	Employer contribution to fund			
		Insurance 2	Pension	Vacation pay 3		Insurance 2	Pension	Vacation pay 3		Insurance 2	Pension	Vacation pay 3	
Seranton, Pa.	*\$4.425	15¢	*12½¢										
Seattle, Wash.	4.550	15¢		23¢	*\$4.575	15¢	*12½¢	21¢	*\$3.200				
Shreveport, La.	4.250				4.830	21¢	21¢	21¢	3.800			15¢	
Sloux Falls, S. Dak.	3.800				4.300				2.025				
South Bend, Ind.	4.225	10¢	10¢	10¢	4.390	14¢			3.200	10¢			
Spokane, Wash.	4.570	15¢	15¢	11 22¢	4.830	21¢	21¢	21¢	3.400	15¢			
Springfield, Miss.	4.925	15¢	15¢		4.900	37¢	20¢		3.300	15¢			
Syracuse, N. Y.	3.850	10¢	10¢		*4.350	*22¢	*18¢	*40¢	4.000	15¢			
Tampa, Fla.	4.700	10¢	10¢		4.250	15¢	10¢		2.225	*5¢			
Toledo, Ohio	4.700	10¢	20¢		*5.235	*20¢	*20¢		3.740	10¢			
Trenton, N. J.	5.050	15¢			5.250	20¢	30¢		3.650	10¢			
Tulsa, Okla.	4.375				*4.680				2.900	*10¢			
Washington, D. C.	4.375	17½¢	15¢		5.090	17½¢	15¢		3.025	9¢	8½¢		
Wichita, Kans.	3.750				4.300	20¢	15¢	10¢	2.700				
Wilmington, Del.	*4.550	15¢			*4.700	*22¢	20¢	*12 18¢	2.950	10¢			
Worcester, Mass.	5.200	15¢	10¢		4.650	(*)	10¢		3.450	15¢			
York, Pa.	4.050	5¢			4.400	15¢	*15¢		2.600	5¢			
Youngstown, Ohio	*4.600	15¢		13¢	*4.710	15¢	10¢	10¢	*3.635	15¢			

1 These scales represent the minimum wage rates (excluding holiday and vacation payments regularly made or credited to the worker each pay period) agreed upon through collective bargaining between employers and trade unions.

2 Includes life insurance, hospitalization, and other types of health and welfare benefits; excludes payments to holiday, vacation, and unemployment funds when such programs have been negotiated.

3 Payments are to a fund unless otherwise indicated.

4 Part of the negotiated scale; not included in basic scale shown.

5 No fund on effect on survey date.

6 Part of the negotiated scale; not included in basic scale shown; includes contribution for vacation and sick benefit, separate data not available.

7 Includes contribution for vacation and holidays; separate data not available.

8 Includes contribution for insurance, vacation, and apprenticeship; separate data not available.

9 Contract provides for this benefit; amount of payment not reported separately.

10 10 cents of basic scale transferred to vacation.

11 To worker each pay period as part of the negotiated scale; not included in basic scale shown.

12 To worker each pay period in addition to negotiated basic scale.

13 Part of the negotiated scale, not included in basic scale shown; includes contribution for vacation and holidays, separate data not available.

14 Includes Rock Island and Moline, Ill., and Davenport, Iowa.

15 Following data applicable to Davenport, Iowa; basic scale \$4,500; insurance 15 cents; pension 15 cents.

16 Plan discontinued; previous payment incorporated into basic scale.

17 Represents an increase between Apr. 1, and July 1, 1960.

18 Data for previous quarter have been corrected.

NOTE.—Information on employer contributions to insurance (welfare), pension funds, and for vacations as provided in labor-management contracts, is presented as cents-per-hour or as percent of basic scale; in actual practice, however, some employer payments are calculated on the basis of total hours worked or gross pay calculation. These variations in the method of computations are not indicated in the above tabulation. Payments directly to worker each pay period for or in lieu of benefits are footnoted. Payments directly to some contracts also provided for additional payments to other funds such as holiday and unemployment benefits. Information on payments to these funds was not collected.

LABOR DEPARTMENT—UNION BUILDING TRADES SCALES ADVANCE 2.8 PERCENT
IN SECOND QUARTER OF 1966

Union scales are the minimum wage rates (excluding holiday and vacation payments made directly to the worker each pay period) agreed upon through collective bargaining and reported to the Bureau by local respondents. The scales do not reflect rates for apprentices or for premium work. Overtime beyond established maximum daily and weekly hours is excluded.

Information on employer contributions to insurance (welfare), pension, and vacation funds, as provided in labor-management contracts, is presented for the various trades. These contributions are expressed in cents per hour or percent of basic scale. Such contributions are not included in the average scales or rate changes. Some contracts also provide for additional payments to other funds such as holiday and unemployment benefits. Information on payments to these funds was not collected.

The CHAIRMAN. Mr. Nelsen.

Mr. NELSEN. Thank you, Mr. Chairman.

I join with my colleagues in thanking the Secretary for his appearance here and his very obvious conscientious attitude toward this whole problem.

I would like to pursue a rumor now that someone has touched on earlier. Were the details of the settlement completely made available to the membership of the unions prior to the President's announcement of settlement, so that they knew—

Secretary WIRTZ. Not prior to the announcement.

Mr. NELSEN. Well, then, would it not seem rather strange, if the membership were to submit it to a vote, they wouldn't know what they are voting on really, and they then would hear the announcement on the radio, and I would wonder if the strategy in this case of a finesse was not obviously wrong because it did leave the membership in a rather embarrassing position because they wouldn't know really what they were voting on?

Secretary WIRTZ. I could give you—but you would probably rather get it from the union, but they made it available to us—the telegram which they sent out to all of the locals late that same night or the first thing the following morning. It did set out in what I would consider quite fair detail the terms which had been agreed upon, so that by the time of voting, that had been available for quite some time. That, I believe, is the question you pose specifically. The most desirable sequence as between announcement and communication of details.

I would respect the difference in judgment on that. It would be my own that the President's announcement, as an expression of what we all continue to believe in as public opinion, represented the addition of a very real force to that.

I can only respond in individual terms. As a member of any organization, it would affect my feeling about it, that the matter had been worked out at the White House and had been announced and endorsed by the President, and I would call that a very great plus.

I would respect the possibility that other people's feelings might be different. My net judgment would be that it was a helpful sequence.

Mr. NELSEN. One other point. Yesterday I asked if a comparison had been made on wage levels through industry, and I am glad that Mr. Moss and Mr. Dingell have pursued it, and I think it would be helpful.

Now, one more question.

Secretary WIRTZ. That is what I am now filing with the committee.
Mr. NELSEN. Yes.

I noted at the opening of the meeting today that our chairman urged that negotiations continue. Do you have any feeling as to what would happen if this committee were to say to management and labor, "We hope that you resolve this thing, and we also hope that some area of, shall we say, compromise might be in the picture that could resolve it?"

I am sure you would agree with us that if we involve ourselves in every dispute that comes along, that collective bargaining will break down. But I do remember that during the railroad strike, I had substantial reason to believe at that time that labor had almost reached a point where they in desperation said to the Congress, "Bail us out of the problem that we have gotten into." And I think this was true not only with labor but also with industry.

Do you see any signs of that attitude at this point?

Secretary WIRTZ. Yes, and I understand the Chairman's statement, Mr. Nelsen, to go beyond that, and to express on behalf of this committee a feeling by several of the members—yourself, Mr. Moss, and others—a feeling that there it not just a hope but a feeling that there is, speaking for the public, a real obligation on both of these parties to do everything they possibly can, even over the weekend, and while this deliberation goes on, and that is my understanding as to the voice of the committee.

And so my answer to your question would be affirmative.

Mr. NELSEN. I have no further questions, Mr. Chairman.

The CHAIRMAN. Mr. Kornegay.

Mr. KORNEGAY. Thank you, Mr. Chairman.

Mr. Secretary, yesterday, you stated that no meaningful negotiation could take place, and that none would take place since this matter was now before the Congress.

While I recognize that to be a fact, I find it extremely difficult to understand if the parties to the dispute are truly committed to and interested in the principle of free collective bargaining.

Now, the Chairman has said in the case of legislation, there would be no winners. That, I agree with, and certainly if we would report out Senate Resolution 186 or any similar legislation, it will in effect do violence to the principle of collective bargaining. So I would like to join with the chairman and Mr. Moss from California, and I suspect all other members of the committee, in urging that everything be done over this weekend to try to get the answer and settle this dispute.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Cunningham.

Mr. CUNNINGHAM. Mr. Secretary, when this committee had the railroad problem and the compulsory arbitration connected therewith, I was very much opposed to compulsory arbitration, but I did vote for it in the end because it was said it was the only way out of that dilemma. And I said at that time that I hoped and prayed that I would never have to do it again.

There are some questions, it seems to me, that have been answered yes and no, through the Senate hearings, and these hearings, and it leaves me somewhat bewildered.

Now, it seems to me the crux of the issue is how serious is this strike, and what Senate Joint Resolution 186 says is that the Con-

gress finds that this strike threatens substantially to interrupt interstate commerce to the degree such as to deprive any section of the country of essential transportation services.

Well, I frankly don't know how the Congress can determine that. I think only the administration can determine that, with all the agencies at their command, and I don't want to put any burden on their backs, but they have the information at hand. I can't honestly say that I can determine what this language says here.

Secretary WIRTZ. We have made that determination.

Mr. CUNNINGHAM. Sir?

Secretary WIRTZ. We have made that determination and do—

Mr. CUNNINGHAM. You agree with this point?

Secretary WIRTZ. I agree that without any question or qualification, that language covers the present situation. That is the same language that appears in the Railway Labor Act, and in taking the first step in this case in setting up a board, we did make that determination and I will testify that that is the situation.

Mr. CUNNINGHAM. I understand that is in the act. How that was determined, I don't know. I know the Florida resort areas are hit very hard and I know it is a great inconvenience, but I am not certain that it is what we might term as a national emergency. Of course, that language isn't in the Railway Labor Act, but I think that is what it has to be before this Congress or this committee would consider anything in the form of compulsory arbitration.

Now, I believe you said earlier, if I understood you correctly, that you didn't feel that this resolution was what we commonly know as compulsory arbitration.

Secretary WIRTZ. That is correct, sir.

Mr. CUNNINGHAM. Thank you.

Secretary WIRTZ. Yes, sir.

Mr. CUNNINGHAM. Now, it seems to me that there is a good deal of dispute as to just how much of an increase above the guidelines is involved in the settlement, the offer that was made that was rejected. Why is there such dispute?

Secretary WIRTZ. There is no—

Mr. CUNNINGHAM. Has somebody figured out what percentage it is?

Secretary WIRTZ. There is no dispute at all about the figures or about the percentages. The dollar amount is about \$73 to \$74 million, and in terms of percentage of present base, that is 4.3 to 4.4 percent. I would leave only that margin of error, so there is no dispute about that.

The only question is as to the extent to which the guidelines are properly used: A, as a statement of how the economy in general should operate, or, B, as a rule for each particular case that comes up. That's the only question, but there is none about the figures.

Mr. CUNNINGHAM. I read in the press where somebody said it is 7 percent or 6 percent, but you make a flat statement that it is four point—

Secretary WIRTZ. 4.3 to 4.4 percent. The 7-percent statement got out for a few minutes. I do not know where it came from. It was wrong. It was denied by everybody.

Mr. CUNNINGHAM. Do you know, sir, if it is a fact now that management was willing to make a better offer, but was persuaded not to do so?

Secretary WIRTZ. No, sir.

Mr. CUNNINGHAM. Sir?

Secretary WIRTZ. I do not know that to be the case. Your question was whether I—

Mr. CUNNINGHAM. Does Mr. Reynolds know whether that is so?

Mr. REYNOLDS. No, I wouldn't, Mr. Congressman. I most respectfully suggest that question probably could be most properly directed to the management representatives.

Mr. CUNNINGHAM. Thank you.

And, finally, then, I believe in restraint where it is in the public interest. Did you say that you felt that the guideline principle, which has been outlined, has been mentioned and the document cited, that that might be or was a hindrance to the settlement of this dispute?

Secretary WIRTZ. I shall answer it this way, and I do not mean to equivocate. I think that the national stabilization interest and policy was a factor which was considered in connection with this case. That to identify it in terms of the guidelines themselves, would be wrong because in the public mind, the guidelines have become identified with a specific percentage decimal point figure, and that did not in my judgment affect adversely the settlement of this case; but if the question is as I interpret it to be, Mr. Cunningham, the more penetrating one, of whether one of the difficulties in reaching settlement in this case has been the awareness on all three sides of the national stabilization interest involved, the answer to that question is that it has been a factor in this case.

Mr. CUNNINGHAM. 3.2?

Secretary WIRTZ. No, sir. That was my point. I do not think that the 3.2 was a factor in any way adversely affecting it. As a matter of fact, the recommendation of the Presidential Emergency Board was at a different figure, and the Chairman of that Board, Senator Morse, was asked at the beginning of the hearing whether he would consider the 3.2 a limitation upon his recommendation, and he answered "No," and that Board came up with the recommendation which in decimal points was different from that. The settlement was different.

And so, I answer quite clearly that I do not find the record in this case to be such that the decimal point concept, the 3.2 concept, complicated it.

I do say at the same time, and I think it is a reflection of responsibility on the part of everybody concerned, that the realization of the stabilization elements in this situation, and the country's interest today in not selling out all of its gains of the last 6 years or letting inflation steal them, that consideration has been a factor in this case.

I can really speak only for the mediators in the case, and for the administration, and I say to you in complete candor and with pride that our approach here was not to get a settlement at any cost to the country. Our approach was to get a settlement which was fair to the parties to this case, and also reflected the country's interests in not going down the drain of inflation.

Mr. CUNNINGHAM. I appreciate that, but you leave the impression that you did pay quite a bit of attention to the 3.2.

Secretary WIRTZ. No, sir; if you will distinguish, as I must in my own mind, between the 3.2 point which I did not impress at the beginning—distinguish between that and the application in this case of

the stabilization principles and considerations, then we can come to agreement, and I answer very specifically that the 3.2, the decimal points, was not a factor. The consideration is of a responsible settlement from the public standpoint as well as from the parties' standpoint.

Mr. CUNNINGHAM. I thank you, Mr. Secretary.

I am sorry you had to come down here today.

Secretary WIRTZ. Oh, no, sir, it is the most important business in the country today.

The CHAIRMAN. Any further questions on my right?

Mr. WILLIAMS. Mr. Chairman, I would like to ask the Secretary if it might be possible to furnish for the information of the committee some data either in table form or chart or graph form relating to the productivity levels of the machinists in these five airlines. I would presume that that would have to include the numbers of the machinists we will say from about 1958 when the airlines went off subsidy up to date.

Secretary WIRTZ. All right, sir.

Mr. WILLIAMS. You will probably have to include the rate of gross revenues and perhaps profits, and so forth. I am sure you have economists over there who can give us the information which might be helpful to the committee in seeking to determine the level of productivity of the machinists dating back to the day, we will say, when the airlines went off of subsidy up to this date, which I feel is quite an important consideration in this matter.

I would think probably that would include also data that would show the value of the stock in 1958 and whether or not it had appreciated or depreciated up to this date, taking into account stock splits.

I am not trying to tell the Secretary what we would like to have. I think perhaps he knows better than I do what we would like to have. Do you think it would be possible to submit some information that would give us some yardstick or some indication as to whether the productivity level of the machinists has increased or decreased during those years?

Secretary WIRTZ. I think first we will assemble all information of that kind which we think bears on the point.

Second, you will have appearing before you very shortly a witness from the industry whom we have every reason to believe, indeed to know, that you would get that same information reliably from such a witness.

Third, it could not be in terms of the productivity increase of the machinists alone. There is a productivity figure for the industry. It is currently running about 8 to 10 percent, but it will be hard to break out.

Mr. WILLIAMS. Would it be possible to break that down into operating and maintenance?

Secretary WIRTZ. I do not believe it would be. I think it would be almost impossible to break it down into a service occupation in the particular industry, but I will inquire about that and will see.

I think there will be difficulty on it. I think these are questions which an industry witness will have at the committee's immediate disposal, but we will supply whatever we can on the same kind. You asked, too, for corporate profit figures.

Mr. WILLIAMS. Sir?

Secretary WIRTZ. You asked, too, for corporate profit figures? Was that your other request?

Mr. WILLIAMS. If that relates properly to the matter of productivity of the employees.

Secretary WIRTZ. So the request would be for all information bearing directly or indirectly on productivity?

Mr. WILLIAMS. That is right, sir.

Secretary WIRTZ. Hopefully, in this particular occupation or at least within this industry?

(The information requested appears on p. 148.)

Mr. WILLIAMS. Yes, sir.

Mr. ROGERS of Florida. Will the gentleman yield?

Mr. WILLIAMS. Yes, surely.

Mr. ROGERS of Florida. Mr. Secretary, your answers have been most helpful. Would it be possible for you, since it is the strong feeling of the committee, that the parties do get together over the weekend before we have to come back Monday, that you could initiate some action to get the parties together over this weekend?

Secretary WIRTZ. I would say in supplement to Mr. Reynolds—let me just answer you directly. We have been at every moment probing every possibility that presents itself. It would be our disposition, in view of the expressions from this committee, to intensify if possible that program.

Mr. ROGERS of Florida. What I was wondering, have you issued a call and asked them to come together for a meeting?

Secretary WIRTZ. I would prefer, if it is all right, that we rest on the expression of the expectation of the committee, and include ourselves in the expression of your feeling that there is a responsibility to do everything that will include contacts with the parties as it has, leaving only the question of what form of meetings would be most advisable.

Mr. ROGERS of Florida. That will be satisfactory. Thank you, Mr. Chairman.

Mr. KEITH. Mr. Chairman.

The CHAIRMAN. Mr. Keith.

Mr. KEITH. It is my understanding that both labor and management leadership is here. I would suggest that it is the unanimous sense of this committee that we request that they get about and urge them to proceed forthwith. I am sure that that would be a hope that you express the sentiment of the committee in this respect.

Mr. Secretary, is it not possible if they do not get together and solve this and we enact this legislation, that the pressure would be off rather than on during the interim period, because under the terms of the legislation they get economic assistance to prolong when they seek a settlement?

Secretary WIRTZ. I am sorry, I lost you. If your legislation is not enacted?

Mr. KEITH. Is enacted and they go back to work, they get paid, there isn't the economic pressure on them to proceed as there is now.

Secretary WIRTZ. I think to the contrary. The return to work, as I understand it, would, absent agreement, under the terms of the resolution, be on the old terms and conditions.

Mr. KEITH. Yes, but they would get that old pay.

Secretary WIRTZ. They haven't felt that—

Mr. KEITH. Pardon?

Secretary WIRTZ. They would not consider that pressure on them.

Mr. KEITH. That is correct. They would not consider the pressure on them. They would be getting some pay.

Secretary WIRTZ. I misspoke. It is just a question of fact. They would get the old pay scale unless there was agreement.

Mr. KEITH. They just argue about the difference between that and 4 percent more.

Secretary WIRTZ. If the assumption is that that would take pressure off, I do not believe it would affect it much.

Mr. KEITH. The wives would have enough money to pay their grocery bills, and they could get along. They can get along now without it. Certainly with some pay they could get along more easily, and they might not have the pressures that exist at the moment.

Secretary WIRTZ. They have made a calculated judgment that their future, looking at the whole of their future, and taking into account pressures on the employer as well as on their wives does mean that their strongest position is to stay off and not to accept the employment, so if you are talking about the probing of their minds, their feeling would be that there is more pressure on under the present circumstances.

Mr. KEITH. That is my opinion.

You said it was necessary to have the unions restructure their demands, I believe.

Secretary WIRTZ. No, I did not mean to say it is necessary. There was a question as to whether a restructuring would be possible, and the question was answered in the affirmative.

Mr. KEITH. In order to give them some area for more discussion at this time, is there any possible announcement with reference to the guidelines that would give them that room?

Secretary WIRTZ. No, sir; not in my judgment as a practical matter.

Mr. KEITH. It seems to me that perhaps to some extent—

Secretary WIRTZ. Let me be fair in answer to your question. If you mean the country were to announce, the public, the administration, the country were to announce that it did not give a hoot about inflation, then I suppose it would change the posture of this case.

Mr. KEITH. I am not contemplating any such announcement.

Secretary WIRTZ. No, I did not think you were.

Mr. KEITH. I am just contemplating more emphasis given to room for negotiations in those cases where industry, by reason of its earnings, could give more leeway in the bargaining than in its uniform 3.2.

Secretary WIRTZ. I think there are not practicable possibilities along this line.

Mr. KEITH. I have one further question, Mr. Chairman, but I will waive it at this time.

Thank you.

The CHAIRMAN. Are there any further questions on this side? If there is not, the committee will stand adjourned until next week.

Before we adjourn, I would like to again thank Secretary Wirtz and his able assistant, Mr. Reynolds. I think you have done a very excellent job in trying to give us the answers and your points of view.

We have the principals in this dispute before us next week, and I would like to emphasize what every member of the committee has said to me, that the principals of this dispute are in this room now, and it is the hope not only of the chairman, but of the full committee

and of this Nation that before we have to meet on Monday or that if we do meet on Monday, that we can say that some kind of a settlement has been made. That is the wish of each member of this committee, I am sure.

I said before in this bill there can be no winners, and I am hoping that on Monday morning at 10 o'clock that we can announce that something has been accomplished, and I am basing that hope on some optimism perhaps, knowing that both sides are men of good will, men of intelligence, men who know when they face realities, and this is reality, that I think that they will come to a realization that perhaps they are not only speaking for themselves but for countless millions of others in this land, and perhaps for many years to come. So on that note, I adjourn.

Mr. WILLIAMS. Mr. Chairman, before you adjourn, may I make an observation?

The CHAIRMAN. Yes.

Mr. WILLIAMS. Mr. Chairman, I would like also to express our appreciation to the Secretary for the testimony which he has given on behalf of the executive department or the executive branch, but I would like also to express deep disappointment over the apparent unwillingness of the executive branch, which has previously become so deeply involved in this matter, to give a recommendation or even state a position with respect to this legislation.

I feel, Mr. Chairman, that we should have the assistance of the executive branch insofar as having its position made known publicly on this legislation with which we are concerned. I think it would be of great help to the Congress, and I think it would be of great help to the country.

While I commend Mr. Wirtz again on the splendid manner in which he testified, and recognizing the fact of course that he represents the executive branch, I must reiterate that feeling of disappointment in the executive branch's apparent reluctance to take a positive stand one way or the other or give us any opinion or assistance with respect to this particular legislation.

Mr. SPRINGER. Mr. Chairman.

The CHAIRMAN. Mr. Springer.

Mr. SPRINGER. Mr. Secretary, I have no pride of authorship as far as announcements are concerned. About all I would like would be a settlement. I do believe that it is extremely dangerous for any governmental body to take on the purpose of announcing, whether it be the Congress or the President. It seems to me that any settlement of this kind of nature ought to be announced by the principals jointly together. That is the way I think it has usually been done over a long period of time. I think we did get a letdown, at least the way I felt down in my country, that everyone thought that it was settled and it was not, and I think generally the President thought that he did have a settlement, but it certainly did not lend very much psychological impetus to the problem to have it come from that source, although it was made, I think, with good intentions in every way.

I think if you are going to reach an agreement over the weekend, I would hope the two principals could get together in joint conference, and that announcement could come from them, if it would be at all possible.

That is all, Mr. Chairman.

The CHAIRMAN. I might say to the gentleman from Illinois that I did not mean that we would say it had been settled, and that we would not have to spend more days and go ahead with this. But I want to say to all the principals again that if on Monday next this is not settled, we are going to expedite this legislation with everything at our command. I do not know how long it will take, I must say that. I think it is serious business and we all realize that or we would not be here on this Saturday. The witnesses that will appear before the committee on next Monday will be those representing the IAM unions. The committee stands adjourned until next Monday at 10 o'clock.

(Whereupon, at 12:30 p.m., the committee was recessed, to reconvene at 10 a.m., Monday, August 8, 1966.)

AIRLINE LABOR DISPUTE

MONDAY, AUGUST 8, 1966

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The committee met, pursuant to recess, at 10 a.m., in room 2123, Rayburn House Office Building, Hon. Harley O. Staggers (chairman) presiding.

The CHAIRMAN. The committee will come to order.

It is necessary to expedite these hearings. To do so, I have refused requests to be heard from a large number of interested people, and this includes many Members of Congress. I have said that we will hear only those who are directly involved.

There are many important people who represent great segments of industry and labor in this country who have asked to be heard on this legislation. If this bill is passed or not passed, they probably will be heard to see what the future holds, but I believe at this present time, in order to expedite this legislation and get it out of this committee and through the Congress, we must hold it down to the principals involved.

The legislation proposed in this bill will have a longtime effect as well as an immediate one. If we pass the bill, Congress will get a lot of criticism, so will the unions and the carriers, and no one will forget who the responsible parties are. Nevertheless, the people of this country are demanding action. They want the strike settled, and settled now.

The Congress will therefore act and act quickly.

The Senate considered this legislation from July 22 to August 4, and approved it by a substantial majority. We will use less time, and I predict that when it comes to the floor of the House it will get just as substantial a majority as it did in the Senate, or more.

In case this labor dispute is not settled by the parties involved today, I am scheduling another meeting of this committee for 9 o'clock tomorrow and another meeting will be held tomorrow night and carried on until we finish. I expect that we will get this legislation to the House floor before the weekend, and passed.

The alternative to this necessary but unfortunate legislation is agreement between the carriers and the unions.

A law once put on the statute books is seldom repealed. It is more often widened and expanded. It will haunt management and labor for generations to come. The history of such regulatory legislation in Europe has been nationalization of industry, and we ought to be guided by history. At the very least this legislation will furnish a precedent for throwing every labor disagreement into the lap of Congress for settlement. I state to the representatives of labor and

management here assembled, settle this matter out of court, for your own good. For the country's good. Otherwise, Congress must act, and those involved will regret it, I am sure, as long as they live. Collective bargaining is an American institution. Make it work if you value American ways and customs and freedoms.

The first witness this morning will be Mr. P. L. Siemiller, president of the International Association of Machinists & Aerospace Workers. Mr. Siemiller, we are glad to have you with us, that you can be here to testify and give us your side of this—well, I do not know what you would call it—disagreement. You may proceed as you see fit.

**STATEMENT OF P. L. SIEMILLER, INTERNATIONAL PRESIDENT,
INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE
WORKERS, AFL-CIO; ACCOMPANIED BY PLATO PAPP, GENERAL
COUNSEL; JOSEPH RAMSEY, VICE PRESIDENT IN CHARGE OF
AIRLINES; AND VERNON KIRIKOWIC, RESEARCH DIRECTOR**

Mr. SIEMILLER. Thank you, Mr. Chairman.

First, we want to thank you for the opportunity to be here, and to present our side. My name is Roy Siemiller. I am international president of the International Association of Machinists & Aerospace Workers, affiliated with the AFL-CIO. I welcome your invitation to appear before you to present the viewpoint of the strikers who are, in part, responsible for the grounding of the five airlines. In great part, of course, the responsibility rests with management.

May I start by saying that this is a legal strike for legitimate economic objectives. It is also a peaceful and orderly strike. We are proud of the trade union discipline of our members. To the best of our knowledge there hasn't been one incident on the picket lines from Gander, Newfoundland, to Tokyo, Japan.

It is my understanding that this hearing is for the purpose of determining whether the Senate Joint Resolution 186 should be adopted by the House of Representatives as the law of this land. Essentially, the proponents of this legislation based their case upon the fact that a dispute exists that substantially affects interstate commerce to such a degree as to deprive any section of the country of essential transportation services.

Perhaps some of you have read my statement to the Senate Labor and Public Welfare Committee on July 26, 1966, which noted in detail my reasons for concluding that a national emergency does not exist. I would like to repeat, if I may, some of the remarks I made at that time, which, I understand, were reiterated by Secretary Wirtz last Friday.

I am mindful of the problem that rests on your shoulders. Whether or not you endorse this legislation will depend upon your belief that an emergency in fact does exist and warrants action that is contrary to the tradition of collective bargaining in this country.

Many of the carriers are still operating and advertising the fact that they are flying with empty seats, and this includes Seattle, San Francisco, Los Angeles, Kansas City, St. Louis, Chicago, Dallas, Atlanta, and New York. Copies of some of these newspaper advertisements are available if you have not seen them.

As further evidence it is not impossible today to travel by air. Sitting in this room this morning are the presidents of 12 of the largest

local unions involved in this strike that came from as far away as San Francisco. They were notified on Friday that we wanted them here yesterday. They were all here, and they had no special recourse to any help in getting reservations in order to be here.

Secretary Wirtz last Friday noted that other operating carriers have absorbed approximately 35 percent of the traveling passengers who normally use these five struck airlines. Permit me to outline briefly a few facts regarding the air transport industry in our country.

In the United States today there are 11 trunk carriers of which only 5 are on strike; 6 are still operating.

There are 13 local or feeder lines which service every city in the United States which the struck carriers normally service.

In addition to the airlines still flying, there are three 11-cargo domestic carriers still operating as well as four helicopter carriers, seven intra-Alaska carriers, two intra-Hawaiian carriers, and one intra-California carrier, PSA.

Finally, general aviation including the huge fleet of corporate executive planes has not been hampered by the strike.

In discussing the impediment to travel, I think it important that we understand the proportion of air transportation today, compared to other modes of transportation. According to the best Government and non-Government figures, a total of 878,400 million passenger miles were traveled in 1965. Of this total, 89.5 percent was by automobile; 2.6 percent by bus; 2 percent by railroad, and 5.9 percent by domestic air carrier.

With regard to freight, the Statistical Abstract published by the Department of Commerce notes that in 1963, the latest data available, the airways carried less than one-tenth of 1 percent of all domestic intercity freight.

This strike has shut down 61 percent of the airline trunk service. Putting things into perspective, only 3½ percent of all intercity passenger travelers are inconvenienced by this dispute, or conversely, 96½ percent of all intercity passenger travel is not affected by this strike.

It is interesting to note that the number of passengers affected by the recent bus strike against Western Greyhound was approximately 135,000 a day—150,000 at peak periods. This is about the same number of passengers affected by the airline strike. Yet, there was never any hue and cry to suspend the right to strike because of the Greyhound bus strike. This fact has led some observers to suggest that the pressures to end the airline strike have a direct relationship to the higher income level of airline passengers.

Some people are inconvenienced. Air traffic is not normal. In some instances, air transportation to certain cities has been curtailed. But, the fact remains that no city has been cut off from air transportation.

We know of no situation where the health of this Nation or of any single community has been endangered by this work stoppage.

Further, as Secretary Wirtz has pointed out, the stoppage has not affected the efforts of the military to press their action in Vietnam. Contracts between the struck airlines and the Military Airlift Command are still in effect.

During the period from July 9 to July 25, our members serviced 177 charter flights carrying more than 15,000 military personnel. I am certain that since July 25, this figure has increased measurably.

In cooperation with the Department of Defense and the Department of Labor, we have serviced all MAC (Military Airlift Command) and all CAM (civilian air movement) flights. One of the struck carriers has not requested our members to service these flights, notwithstanding our willingness to cooperate in this endeavor.

We recognize without any question, the importance of our military operation in Vietnam and its implications throughout the free world. I should note that insofar as the transport of military personnel on furlough, we have proposed to the carriers that if they would transport military personnel without cost, union members would service the aircraft without pay. None has responded to this offer.

In reviewing Secretary Wirtz' testimony before the Senate committee, and reviewing this testimony before this committee last Friday, there is no question in my mind, no question whatsoever, that a national emergency does not exist. While some people may be inconvenienced, one cannot show that our economy, our national safety, or our national health—or even, for that matter, that essential transportation—has been seriously interrupted by the dispute. I won't deny that travel agencies, some resorts, some hotels, and some other industries may be affected. While this is very unfortunate, I question whether there can ever be a work stoppage where some inconvenience and some loss does not occur.

If I believed that the resolution before you would serve to strengthen the institution of collective bargaining without impairing the rights of workers and owners, I would endorse this proposed legislation. The fact of the matter is, and it is so obvious to me—and I believe Secretary Wirtz also voiced this feeling—this legislation will not strengthen collective bargaining. It will not serve to bring about an accommodation of interest between labor and management.

I certainly agree with the chairman that the Senate resolution would set collective bargaining back 50 to 100 years. Punitive legislation is not required, just because certain individuals are inconvenienced or delayed.

As you all know, a settlement which I recommended was rejected by a vote of our membership employed by these five carriers. This is not something new in collective bargaining. Workers in this industry are a highly literate group. Let me illustrate that fact by reading a letter written by one of the strikers to President Johnson.

SMITHVILLE, Mo., August 3, 1966.

President LYNDON B. JOHNSON,
White House, Washington, D.C.

DEAR PRESIDENT JOHNSON: I am an Air Force veteran of World War II with four years of active service and reserve service to retirement. For ten years I have been an Instrument Technician at TWA and operate a small farm in my spare time, in addition to rearing a large family. My wife is a registered nurse who is now working nights in order that we may survive financially.

I feel that I am representative of the average Airline Machinists member. I submit the foregoing to help remove the stigma which attaches itself to the phrase "Laboring Class", even in this country.

The membership expressed itself clearly in the recent pact vote. We feel our wages are substandard with respect to the cost of living. We helped our company earn profits resulting in large bonuses to supervision, wage increases to management, and dividends to stockholders.

Our local problem with TWA, which must be resolved, concerns job security. TWA has, in effect, without negotiation, removed the sick leave clause from our previous contract. We are concerned that the 37 people who were discharged for "absenteeism" in the past three years were not discharged under the "abuse of

sick leave" clause. This blanket charge of "absenteeism" for legitimate use of sick leave allows us little hope for retirement with our company.

Collective bargaining in the airline strike did not break down with the Machinists' rejection of the airline offer. It was never permitted to function. Collective bargaining was hamstrung the day it was decided government intervention is the way to cure the effect of strikes on our economy. No one enjoys a strike, least of all the working man who suffers more personal economic hardship than the business man, whose injured pocket book is causing the pressure for this intervention. When you speak of the "public interest", please consider who comprises the public.

Our leadership in government must recognize that federal interference in the affairs of labor, agriculture, and every field of human endeavor in these United States is contributing to the horror of creeping socialism.

Dictatorial powers have been given you in the past and are being offered to you again in the airline strike problem, because apparently many in our Congress do not have the red, white and blue fortitude to stand and speak in defense of our constitution against the pressure from the economic power structure.

I hope and pray sincerely, sir, that God may give you the strength and wisdom to act with the future security of our basic freedoms in mind.

Yours respectfully,

ROBERT H. RICHE.

As I said, I read that to give you an idea of how the striking airline machinist feels.

I just picked this letter up because it was the last one of many that had reached my desk, and felt it would serve a purpose by reading it to you.

The International Association of Machinists is signatory to more than 8,000 agreements with nearly 16,000 different employers. These agreements are in effect in nearly 250 different industries. Nine-eight percent of them are signed without any necessity of a strike.

For the benefit of you looking at the other copies, not the one I am reading from, that "nine-eight" means 98 percent.

Union members frequently reject a proposed settlement during a strike. This is part of collective bargaining. I don't think that we can conclude that simply because a union does not agree with what a company is offering, that their position is unreasonable or that they should be penalized or called irresponsible. A refusal of the last offer of the carriers and continuation of the work stoppage does not mean collective bargaining has broken down. In fact, this is part of the process of collective bargaining.

The question before you is whether the employees of these five struck airlines are to be deprived of a basic right.

Ours is a great and dynamic economy. It does not move evenly. There are sectors which surge ahead while others lag. Every industry is in the constant process of adjusting—be it in terms of purchasing raw materials, investment in capital goods, exploring new markets, or in meeting the needs of its manpower requirements. Manpower—numbers of employees, wages, conditions—is a vital element of the productive process. Collective bargaining serves as the mechanism of accommodating the needs of workers with the needs of management. While in some other countries, this process is handled through Government orders—in this country we enjoy and depend upon the institution of free collective bargaining. As you probably know, there are 140,000 collective-bargaining agreements between unions and management in this country today. No; not all settlements are to the liking of the planners—some are too high and some are too low—although we don't seem to make the planners mad when they are too low.

We have a built-in system for adjusting to change. We have tried hard to make it work—and others have worked hard to destroy it. We believe that collective bargaining—with the right to strike—is basic to our tradition.

As you know, in any country where a dictator emerges, he first destroys trade unions and the right to strike. Freemasonry and the church come next.

The American system of collective bargaining, by its very nature, makes us aware of change, be it in the needs of management or the needs of working people. I don't mean to imply that there is anything automatic about collective bargaining. It is not simple. But it is a forum—a civil and semiregulated forum—in which interests of different groups are accommodated without civil strife.

The Senate-approved resolution before this body would do much harm to the institution of collective bargaining to the air transport industry. While I realize that it is only intended to resolve the dispute between the IAM and the five carriers, there is no question that it would have an impact on future disputes in many other industries. In effect, this resolution would destroy collective bargaining in this industry. It would destroy it simply because the right to "withhold one's labor or services" in support of employees' proposal would be denied to working people.

In no sense would this resolution strengthen collective bargaining anywhere. It is unfair to compel our people to return to work while management may or may not condescend to offer an adjustment which would bring about a just and honorable settlement. Any type of legislation which prevents a work stoppage—and which leaves management free from any pressure to compromise their position—will end collective bargaining. Pressure and compromise are at the heart of any bargaining, and this is what the resolution would subtract from this dispute.

Newspapers throughout the country have been publishing ads for skilled aircraft mechanics. There is a shortage of skilled craftsmen. The carriers themselves have projected their needs. During the next 3 years, they have stated that they will need 8,000 more mechanics. This is a growing industry. It is to the airlines' advantage that they recruit and retain skilled mechanics. It is to the interests of our country that this industry accomplish this task. If the Senate resolution passes and the strikers are forced to work under wages and conditions they feel are unfair and unjust, many employees will quit the industry for better paying work in other fields. This will be true especially among the men with 1 to 3 years of service. And, recruiting will be more difficult than ever.

I mention this, because our members are proud. They are proud of what they do, and how they do it. Essentially, we are partners in production; we are adversaries only at the bargaining table.

We believe our members are both competent and loyal trade unionists, and they are also responsible and competent workmen. There is a dual loyalty which exists in our society today, both to the employer and to the union.

I am sure all of you have seen the first 6 months' profit reports for some of these struck carriers. I don't have to go into details. You know their profits are exceptionally high, and as far as that is concerned, profits of many corporations are extremely high. When we

are discussing inflation and stabilization as such, we in the labor movement are ready and willing to make our share of sacrifices, providing other sectors of the economy are asked to do likewise. This was true in World War II and the Korean situation. However, when guidelines are imposed on wages of workers and not upon salaries of executives, fees of professionals, commissions of salesmen, dividends of stockholders, and other forms of personal income, we feel this is unfair discrimination. If the state of our economy warrants a stabilization program, then such a program cannot discriminate against one sector of the economy in favor of another. You can't stabilize wage rates while rents and grocery prices are skyrocketing.

We sincerely regret the fact that this strike has intruded into the lives of some of our fellow Americans. We ask their understanding and their patience. Freedom is never as orderly as other systems. Under other circumstances, it might be possible for the Government to suppress this strike and to force airline employees back to work against their will. In another age, a great dictator became famous for making the Italian railroads run on time. I doubt that is a system many Americans would care to live under.

Yet, the Senate resolution, in my opinion, is symptomatic of an unhealthy concept of freedom. We believe that the right to strike is basic to Western freedom. The right to withhold one's services in support of what a man considers to be a fair and equitable settlement is a right inherent to our position in the entire Western World.

In my mind, this is the right we are hoping the people of Asia will someday enjoy. We think the basic issues here in this airline strike and the basic issues in southeast Asia are identical.

In closing, let me again reiterate, there is no national emergency, this proposed legislation is not warranted. We stand ready and willing, as we have been since the last offer was rejected, to enter negotiations and to attempt to achieve a settlement in this dispute. We are of the belief that those who are advocating this legislation; namely, the carriers and other employer associations in the transportation industry, are using this situation to place a law on the books which will hamstring all organized labor from this time on. I sincerely believe that the decision you gentlemen must make is vital. As Secretary Wirtz has indicated, if legislation is to be enacted, there must be a so-called balance of interest. There is no balance in this legislation. I question whether balance is in fact possible if you suppress the right to strike. I told the Senate committee that we are anxious to return to the bargaining table but the carriers have refused. There isn't a chance that these airlines will ever talk about an equitable settlement as long as there is a chance that Congress will pass a law that will force our members back to work and permit the carriers to refuse to share their fabulous profits, increased productivity, with the employees who made them possible.

Thank you, Mr. Chairman.

The CHAIRMAN. I hope that I will not take more than 5 minutes. I would like to ask one or two questions. Was collective bargaining entered into over this past weekend?

Mr. SIEMILLER. Collective bargaining takes many forms.

The CHAIRMAN. May I phrase this again. Was there bargaining where you or your representatives sat down with the carriers to bargain with this past weekend?

Mr. SIEMILLER. No, sir.

The CHAIRMAN. There was not. Were you ready?

Mr. SIEMILLER. Yes, sir.

The CHAIRMAN. This afternoon?

Mr. SIEMILLER. Yes, sir. I should say in all fairness the Secretary of Labor I know talked with me individually and he did talk with the carriers, and collective bargaining, as I said, Mr. Chairman, sometimes is not face to face. It is talking with each side. The Secretary did do that.

The CHAIRMAN. Well, that gives us something. I hope that the negotiations will resume this afternoon and that this strike will be settled today.

You made one statement in your prepared statement. You said "One of the struck carriers had not requested our members to service these flights." Are they continuing their flights in behalf of the military or the Defense Department?

Mr. SIEMILLER. It is my understanding that they are.

The CHAIRMAN. Who is servicing these planes?

Mr. SIEMILLER. Supervisors, technicians. I understand some of it was attempted to be farmed out to another struck fixed-base operator in Portland.

The CHAIRMAN. Do you know why?

Mr. SIEMILLER. They know. I don't know the minds of other men. You would have to ask Mr. Nyrop of Northwest Airlines.

The CHAIRMAN. I stated that this will set collective bargaining back a good bit. You still feel this resolution would set collective bargaining back?

Mr. SIEMILLER. I certainly feel that it would, Mr. Chairman. It would begin to whittle away too and destroy collective bargaining as an institution in America. The unfortunate legislation in the railroad strike in the firemen's dispute in my judgment was the first step. If this passes it will be step No. 2, and I don't mean this disrespectfully, but to the workers of America, they will begin to look upon the Halls of Congress as the chief strikebreaking agency in the United States.

The CHAIRMAN. Secretary Wirtz said in response to a question, that the machinists have developed a practice in recent years of always rejecting the first settlement offer made. Was this the reason for the rejection of the proposed settlement or were there other reasons and, if so, what in general were they?

Mr. SIEMILLER. Mr. Chairman, first I would have to disagree with Secretary Wirtz. The machinists have not developed a pattern of always rejecting the first offer that is taken to them. Many times it is accepted. Out of the overwhelming number of acceptances, you want to remember that I testified here, we had over 8,000 agreements in the United States and in Canada; 98 percent of them are accepted without any strike action, and many of them are accepted with the first offer that is taken to the people. It is satisfactory.

It is also true in the air transport industry. Many contracts are settled the first time around. Many are not. The workers have a mind of their own. As I pointed out, they are a highly literate group. This was a glamour industry. People went to work for the industry, many of them with college degrees, working as mechanics. They were recruited from all other sources. They can read, write, and they

have a mind of their own. They looked at the issues involved, and it is just like the letter from Kansas City that I read. Some of it was for local issues.

The fact that on TWA and on Eastern they insist on taking sick leave and charging it as absenteeism is an irritant that they don't like. The fact that they have had 37 discharges out there for this in a 3-year period is another situation that is aggravating.

Again, these workers—there are different issues that caused it to be turned down. There is no doubt in anybody's mind I hope on this committee, Mr. Chairman, that feels that the union didn't do, the officers of the union, the negotiating committee, including myself and Vice President Ramsey sitting here, didn't do all in our power to tell them that we thought they should buy this.

Well, they didn't buy, for reasons of their own. They didn't reject Vice President Ramsey or myself. They just said "This is not good enough." They feel that the wage increases are coming in some cases too late. Others feel that there is not enough. This is about the last industry in which employees have to make a contribution to their health and welfare, their hospitalization and so forth. They make a contribution toward their pension plan out of their salaries. It is all gone in aerospace, in auto, steel and other industries. It still exists here, several of these, and I could go on, were factors in it being turned down. It wasn't, believe me, the fact that this was the first offer taken out to the people.

The CHAIRMAN. My time is up.

Mr. SIEMILLER. Thank you.

The CHAIRMAN. Mr. Friedel.

Mr. FRIEDEL. Mr. Siemiller, I listened to your statement and I drank in every word. First, I would like to say that I am 100 percent in favor of free collective bargaining. You mentioned that this is not an emergency, but it has caused some inconvenience. I understand that 86,000 employees are affected. I understand about 100,000 passengers a day are not getting their flights. You mentioned that it affects resorts and travel agencies. It also has affected conventions. Conventions have been canceled. I understand there are over 6,000 Americans stranded in Europe. It was brought out last Friday that the Government has lost around \$14 million in taxes so far; that the adverse effect on the balance of payments is running about \$1 million a week.

I am so perturbed as to why we haven't gotten down to free collective bargaining. Are we to understand that because this legislation is before the House and the Senate, that you will not sit down and try to have both labor and management get together?

Mr. SIEMILLER. No; you are not to understand that as far as the union is concerned. We are prepared and have been prepared to go to the bargaining table and stay there until an agreement is reached that is satisfactory to the membership involved. There hasn't been, and as I warned when Senator Wayne Morse took the floor and started talking about the need for legislation, at that very moment collective bargaining was stymied.

If the Congress is going to bail the carriers out with legislation and put these workers back to work under an old agreement, they are going to be very, very reluctant to come to the bargaining table with an offer that the people want to accept, and that is exactly what is taking place.

Mr. FRIEDEL. I can assure you that Congress does not want to be in the strikebreaking business.

Mr. SIEMILLER. I know that.

Mr. FRIEDEL. But, believe me, we can't tell the public that you two people, management and labor, can't get together. I understand Secretary Wirtz last Friday said that he would do everything in his power to get both together and start negotiating. Now Friday, Saturday, Sunday, today is Monday, and yet you haven't got together to try to settle this strike. We don't want to be in the strikebreaking business. We want you to apply free collective bargaining. There must be some way that you men can get together and sit down in a meeting and try to work out something without forcing Congress to do something that is very unpopular, but the public is demanding something.

Now I can understand you, you have made some very good arguments here, good statements, but there ought to be some way. Are you saying that management will not sit down?

Mr. SIEMILLER. I am saying that in my judgment management will not sit down and bargain collectively as they would bargain if just the pressures of the strike were on them, if they didn't hope that this Congress was going to put their workers back to work without an agreement. I just don't believe they are prepared, and they have demonstrated this all along.

So I am convinced, sir, that while as I admit there has been a lot of inconveniences, but I must say that we just haven't had real collective bargaining.

Mr. FRIEDEL. Just two more questions and my time will be up. Is there anything in this bill that will cause compulsory arbitration?

Mr. SIEMILLER. That is one that could be. It could lead very definitely to it. Let me find the bill that I have. I would refer you if you have the bill, to page 4, the Senate passed bill, and start in on line 14.

Mr. FRIEDEL. What page?

Mr. SIEMILLER. Page 4.

Mr. FRIEDEL. Page 4?

Mr. SIEMILLER. Page 4, section 4, and the important sentence there—let's read the whole section and then you will get it:

If an agreement has not been reached 30 days prior to the expiration of the final period of time, provided in section 3, the Board shall make a final report with recommendations to the President which shall be transmitted to the Congress by the President along with a full and complete report of the dispute, and his recommendations regarding terms or procedures which will assist in the final settlement of this dispute in the public interest, and without further interruption of the continuity of transportation services by these carriers.

To me that spells that the alternative is you would have to say that you would go to compulsory arbitration, the workers, the carriers, and the union would have to agree to compulsory arbitration. I read that in the bill.

Mr. FRIEDEL. As I understand the bill you have 60 days and another 90 days. Is there anything in the bill that could make it retroactive?

Mr. SIEMILLER. There is nothing in the bill that would make compulsory arbitration prior to the period of time in section 4 that I just read, when you get into that, it is the union's viewpoint the bill would require—

Mr. FRIEDEL. My time is up. The only thing I insist on, please get together today, and I am going to ask the same thing of management.

Mr. SIEMILLER. Congressman Friedel, we certainly want to. The CHAIRMAN. Mr. Springer.

Mr. SPRINGER. Mr. Siemiller, I think you have made about as good a presentation of your case as I have ever heard before a committee on which I have served in Congress. The thing that has bothered me in this is how much Government has entered into what I would call orderly free negotiations between labor and management.

Based on all of your experience in this dispute and what has been said, do you believe that if the Secretary and the Government had stayed out of these negotiations, that you could have arrived at a settlement?

Mr. SIEMILLER. No; I wouldn't put it that way, Congressman. I would rather say it my way, a different way. I think the Secretary was useful and helped produce what was produced and resulted in an offer. But I believe, sir, that the first mistake was made in this by the President of the United States, when he appointed an Emergency Board. I begged him not to. I also begged the Secretary of Labor. I had an hour long telephone conversation with him in Los Angeles telling him it shouldn't be done; the Emergency Board will not produce a settlement. I think he made another mistake when he selected the personnel of the Board, in all sincerity I dare say that.

Let me give you the history of events that took place that led up to this time, and the time that has been running, and I think this will best answer your question. On August 9—

The CHAIRMAN. Will the gentleman suspend for just a moment. I understand somebody has been taking pictures in the back of the committee room, and it has been prohibited always. Has it stopped? That is the order and the rule, and I expect it to be obeyed.

Mr. SIEMILLER. Thank you. This is the history of events in this particular dispute. On August 9, 1965, our union and the five carriers involved entered into an agreement to jointly negotiate a limited number of issues. This agreement included a provision for ratification by the membership. And then on October 1, the union and the 5 carriers exchanged proposals limited to 15 issues for each party, and then on October 15 each district negotiating committee and their respective carrier entered into negotiations on local rules.

On November 15, the IAM and the five carriers entered into negotiations on the eight industry items and the unresolved local issues, and then we go over to January 11, 1966. The parties jointly applied for the services of the National Mediation Board. On February 1, 1966, the Mediation Board commenced meetings with the parties. On February 28, 1966, the carriers made the first offer on industry items, which actually was insulting. On March 2, 1966, the carriers increased their offer slightly. On March 18, 1966, the National Mediation Board proffered arbitration. This was rejected by the union voluntarily.

On the 22d, President Johnson created Emergency Board 166. On May 6 the Board commenced its hearings, and on June 5 the Board submitted its report.

I would suggest that all through the foregoing period of time, there was no evidence displayed by the carriers that they were interested at

all in reaching a reasonable and satisfactory agreement. In fact, every indication leads us to believe that they were relying at all times on the Government to bail them out.

Mr. SPRINGER. Mr. Siemiller, may I follow through on this just a little bit?

Mr. SIEMILLER. Surely.

Mr. SPRINGER. Actually when they appointed the dispute board, so to speak, by the President, at that point the President's guidelines began to operate, didn't they?

Mr. SIEMILLER. I would have to assume that.

Mr. SPRINGER. All right. Now this was the intervention of the Government in an attempt, as I understand it, and I want to be fair about this, to limit the settlement, isn't that correct?

Mr. SIEMILLER. Yes, sir.

Mr. SPRINGER. Now during all the time in which you say, or at least I assume that there was free negotiation between labor and management, this was always in issue, wasn't it?

Mr. SIEMILLER. Yes, sir.

Mr. SPRINGER. If there had been no problems of guidelines, you then could have negotiated freely between labor and management, couldn't you?

Mr. SIEMILLER. Well, let me say it this way, Congressman. The guidelines didn't affect us. The carriers could give you the best answer as to what they—

Mr. SPRINGER. I am not talking about the carriers at this point. We will get to that if I have got enough time. I am trying to find out where the Government entered into this and what the problem was with reference to Government and whether or not Government—I am talking about over a long period of time, in entering into free negotiations between labor and management is a good thing. This is what this committee ought to know.

Mr. SIEMILLER. I would think so.

Mr. SPRINGER. If the Government hasn't done something here in intervening itself in this dispute, and I am sure from what the Secretary said the other day, he was pretty general and I will tell you he is an awfully good witness, he knows how to take care of himself, I at least got the understanding from him that this was always a principal factor that the Government was to limit the negotiation. Now by limiting the negotiation I am talking about limiting the amount or the percentage of an increase which the unions could get. Now is that not true?

Mr. SIEMILLER. I couldn't answer you as to the total effect on it. Let me put it in my words if you will, please.

To start with, the trade union movement has not accepted the so-called guidelines. President Meany has made that clear to all concerned, and I told the Senate, I repeat here, they are as phony as a \$3 bill with my picture on it.

Mr. SPRINGER. Well now let's just stay down to this little bit finer point.

Mr. SIEMILLER. I am coming to your fine point.

Mr. SPRINGER. I want to see if I can get this before the committee. That actually what you had here was the intervention of Government. I am not saying whether right or wrong, but I am saying that there was intervention by Government, and the real problem in this settle-

ment insofar as a settlement was concerned was this limitation which they thought, which they said, the Secretary testified to Friday morning, that he felt in the public interest ought not to go above a certain figure. Now, isn't that the real problem involved here?

Mr. SIEMILLER. I do not know. I do not know to what extent the Secretary or the Mediation Board put pressure on the carriers to not agree to anything above a certain point. I do not know.

Mr. SPRINGER. You don't know that?

Mr. SIEMILLER. I have no knowledge.

Mr. SPRINGER. All right, now you are saying you don't have any direct knowledge.

Mr. SIEMILLER. I have a belief.

Mr. SPRINGER. What? You have a belief and I think I do too that the Chairman of the Civil Aeronautics Board did put pressure on the carriers not to go above a certain figure because they wanted to keep it somewhere in this area of the President's 3.2 percent. Is that not right?

Mr. SIEMILLER. I have no knowledge of the pressures being put on by the Chairman of the Civil Aeronautics Board.

The only knowledge that I have is the participants in this dispute have been the National Mediation Board, the Secretary of Labor and from Government active participation. What went on in the background and behind I do not know.

Mr. SPRINGER. Now, I want to ask you this as a final question and my 5 minutes apparently are up.

The President, in his state of the Union message on January 12, used these words:

I also intend to ask the Congress to consider measures which, without improperly invading state and local authority, will enable us to effectively deal with strikes which threaten irreparable damage to the national interest.

Now, I want to know whether you agree with any part of that?

Mr. SIEMILLER. I say this: That if you take freedom away from one segment of our society, the workers, then you must take the same freedoms away from another sector, and when you start that, it will be a sad day for America, not the America that we fought for, carried arms for, and protected.

Mr. SPRINGER. One further question:

In any words that you had with the Secretary as an intermediary over the weekend, did you accede to anything, or did the carriers make any offers?

Mr. SIEMILLER. We have had no different offer and I did not accede to anything except a readiness to continue with negotiations.

Mr. SPRINGER. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Jarman?

Mr. JARMAN. Thank you, Mr. Chairman.

Mr. Siemiller, in your statement you come to the conclusion that generally the Nation has not been hampered by the strike, and preceding that conclusion you mentioned the fact that some carriers are

still operating or that they are flying with empty seats, that other operating carriers have absorbed approximately 35 percent of the traveling passengers normally provided for by other airlines.

Let me ask you this: We have seen the strike so long now, for a month. Assume the strike goes on for another 3 months or 6 months or a year without any change in the present status, a frozen situation for a longer period of time. Would Congress, in your opinion, in trying to protect the public interest, be justified at the end of 6 months or a year, let's say, with exactly the same situation we have during this month of a strike, with that extended period of time, would that be a justification for passing legislation of this sort?

Mr. SIEMILLER. I do not want to fence with you, Congressman. If I was to say "Yes," then we would be down to 30 days, 15 days, and something of this kind.

I would agree with you if that is what you are intending to imply, that this cannot go on forever. Let me say it quickly a different way. The very minute that this Congress tells the carriers they are not going to pass legislation to bail them out of the dilemma they are in, they are going to come to the bargaining table with an offer that their workers will accept.

Mr. JARMAN. Let me ask you this: Is then time, the length of the strike, is that a big factor in qualifying it as a national emergency in your opinion?

Mr. SIEMILLER. I do not think so. I do not think so. Of course, as time goes on, and there may be more attributes that would develop as a result of this that might bring it into what we would consider a national emergency, but there can be, and I think the Government has amply testified, there is no national emergency now. The Secretary did very well on that. That is one portion of his testimony—I agree with him 100 percent—that 35 percent absorbed by other airlines was the Secretary's testimony that I had repeated.

Mr. JARMAN. I understand that. But then do I understand the conclusion you reach is that if the situation remains exactly as it is, that you think at the end of a year, with this percentage of the traveling public affected, that a year could go by with this frozen situation exactly as we find ourselves during this 30-day period, that it would still not be the emergency situation that would justify the Congress in taking legislative action? I think it is a matter of degree.

Mr. SIEMILLER. Yes.

Mr. JARMAN. I mean you mentioned yourself a balancing of interests. You mentioned at the conclusion of your statement, "If legislation is to be enacted, there must be a so-called balance of interests."

Of course, the balancing of interests, it seems to me, is a balancing of interests of employee and employer and the traveling public, the national interest. So many of us are involved.

Mr. SIEMILLER. Well, the question is so hypothetical it is pretty hard to answer.

Frankly, in all frankness if this strike went on much longer, the carriers could not stand it and the workers would quit the industry and go somewhere else and get a job. They are in great demand.

As long as our economy is at the level it is—

Mr. JARMAN. If that developed, would that be an emergency to justify legislation based on the fact that the employer-employees could not come to an agreement?

Mr. SIEMILLER. In other sectors of the economy it would mean somebody else would start in business and buy out the struck carriers, settle with their union and start. That always happens in others. You see, we are in such a situation. It could be much different. It is not a question, the carriers have never pleaded inability to pay. They have got untold millions that they have made as a profit that is sitting there, and it only takes a small portion of that to get a settlement in this case, and to be comparable with other industry in the United States.

Sure, when we talk about millions it excites people. When you talk about cents per hour to a worker who has to buy eggs, butter and meat, it is quite different. And because of the great number of workers we run into great amounts of money. The fact that the pensions are involved here, past service comes into play in pensions, it is a costly item that you get involved in, so we get a lot of millions in play but it really doesn't mean too much when you talk about cents per hour that the workers are going to enjoy.

Let me put it a different way to you, if you will. It is pretty basic.

The majority of cases in this case, the overhaul base, the big complement of employees in these carriers are in metropolitan areas, two in Miami, one in Minneapolis, one in Kansas City, one in San Francisco, relatively high wage areas. When you take an airline mechanic with their skills getting \$3.51 an hour, and they see the rates of pay paid around them—take the California companies. A longshoreman from one end of the coast to the other today gets \$4.14 an hour compared to the skills required of an airline mechanic for \$3.52. There are some inequities involved that they want to settle in this case, and I know you are talking about the national emergency end of it and the traveling public and all the inconveniences, whether it becomes a national emergency. Let me tell you my definition for a national emergency. You might not agree with me.

Mr. JARMAN. I would be interested in hearing it.

Mr. SIEMILLER (continuing). Is when we affect the national health, the safety of our people, or if it would impede the effort that we are making in southeast Asia.

You want to know that the labor movement is backing the President 100 percent in the effort we are making to bring our way of life, freedom to the people in southeast Asia. If we impeded that, if we endangered the national health, the safety of the people, if someplace it could be shown that somebody was not getting these drugs that they needed or something, that this would tie it up, that they had lost lives, then we would begin to get into what I can see as what might be a national emergency. But all those ingredients are not here.

Mr. JARMAN. With that, just let me ask this, Mr. Chairman: With that conclusion reached then I would take it that you would conclude that this situation could continue for some time to come without qualifying it as an emergency that deserved action outside of the collective-bargaining field?

Mr. SIEMILLER. It could go. I do not think it will—let me say it this way: I do not think it will. If the Congress tells these carriers they are not going to bail them out, they will get out of it fast.

On the other hand, if the Congress passes the legislation and puts these people back to work, and they can continue to work even though it is retroactive, what is finally agreed to in rates of pay, they

are back to work, and they are allowed to keep these fabulous profits and use them, and not distribute them among their people, if the people go back to work, the carriers should also be penalized, and be penalized by depriving them of their profits until they reach an agreement, then you would also stimulate collective bargaining.

Mr. JARMAN. Thank you.

The CHAIRMAN. Mr. Younger?

Mr. YOUNGER. Thank you, Mr. Chairman.

Mr. Siemiller, I think you have made a very fine case for your side of the situation.

Do I understand now that there has been no bargaining in good faith since the Emergency Board was appointed?

Mr. SIEMILLER. I do not want to go that far and say that because the efforts that were made over in the Executive Office Building, and when we met over there an offer was forthcoming. I do not know how it came. It came, and we felt, I felt that there were sufficient ingredients in that offer that would get a settlement in this case. Our members disagreed with me, and outside of that session, I would say there has been no real collective bargaining.

Mr. YOUNGER. That was rather collective bargaining under duress, after a fashion. You were called in by the President and told to bargain.

Mr. SIEMILLER. You said it very nicely.

Mr. YOUNGER. Do you think that the announcement, the premature announcement of the President that the strike had been settled had any influence on the men in rejecting the offer?

Mr. SIEMILLER. I do not think so. I do not believe that. I have heard that there was some resentment of that, but I do not believe it had any material effect. The fact of the matter is that they know our President. They know this, and I do not think it affected it in any way. I think the ingredients of the settlement was the factor.

Mr. YOUNGER. How far apart, actually, are you now on a percentage basis or cents, or anything else, however you want to express it?

Mr. SIEMILLER. That is a hard question to answer.

Mr. YOUNGER. That is why I asked you.

Mr. SIEMILLER. In cents per hour? In collective bargaining, as you know, it is give-and-take.

Mr. YOUNGER. Yes.

Mr. SIEMILLER. Sometimes if you come on one item, why you can back-away on something else a little bit, that you would have. It all produces a different cost. And the total cost figures that we have been getting, whether we put them out or whether the Government put them out or whether the carriers put them out have some variances involved, because it depends upon the number of employees, and circumstances, the amount of overtime, and a lot of variances. So to get into cents per hour, I just cannot hardly do that.

Mr. YOUNGER. Well, we hear right along—

Mr. SIEMILLER. Let me say it differently for you. For instance, in the settlement produced at the White House, or at the Executive Office Building, there was agreed to 5 percent general wage increase for each year of a 3-year—three times during a 3-year agreement retroactive to January 1, 1966. One of the principal thing that the people objected to was the length of the first increase. It would run for 18

months, from January 1, 1966, until July 1967. Those increases I am convinced, the very least that the people do will be to trigger in yearly, January 1, 1967, to January 1, 1968. Now it is going to cost the carriers additional money. Now how many cents per hour is that? That is the cents per hour for that period of time.

Mr. YOUNGER. I have heard it said around here of the pact, I think that overran something like \$78 million as a package cost, and that the airlines were willing to up that to \$87 million if the Government would let them.

Now, do you know or have any reason to believe that that is true?

Mr. SIEMILLER. No, I have no knowledge on this subject. The carriers did not tell us that, and the Government did not tell us they would not let them.

Mr. YOUNGER. Do you think if we adjourned these hearings right now, that you could get together and reach a settlement?

Mr. SIEMILLER. I think if you adjourned these hearings and told the carriers you are not going to pass legislation, get out there and find a settlement, we will do it before tomorrow morning, but if they are going to be bailed out, you are not going to get a settlement.

Mr. YOUNGER. What percentage of your membership are certified by the FAA?

Mr. SIEMILLER. You mean those that carry licenses?

Mr. YOUNGER. Yes, that is right.

Mr. SIEMILLER. That have to have a license?

Mr. YOUNGER. Yes.

Mr. SIEMILLER. In order to perform their work?

Mr. YOUNGER. That is correct.

Mr. SIEMILLER. I am informed that on the five carriers involved, there are close to 19,000 carrying the classification of mechanic. Twelve thousand of these are required to carry one of the three licenses in order to perform their work.

Mr. YOUNGER. Now you have other classifications. They do other jobs.

Mr. SIEMILLER. Oh, yes.

Mr. YOUNGER. Is there a different scale? All we hear about is this base of \$3.52. Do all the members of your union get the same scale?

Mr. SIEMILLER. Oh, no, no. We are talking top rates when we get into that.

Mr. YOUNGER. You are talking about those that have the FAA license?

Mr. SIEMILLER. Those were mechanics and above. Some get differentials above that, night shift differentials and things of that kind, but we are talking about the mechanic.

Mr. YOUNGER. Yes.

Mr. SIEMILLER. You know we represent a broad segment of the airlines employees, including people known as ramp service and such as that, which draw a much lesser rate of pay. I think the average rate on the airlines today for the total units that are bargained for is in the vicinity of \$3.25.

Mr. YOUNGER. I agree with you that this guideline is phonier than the expression you used, and I am afraid that that has been one of the troubles with this whole negotiation, and the Government itself does not adhere to it. As you know, with the new agreement reached out there in the Bay area with plumbers it is \$14 an hour, as you know,

portal-to-portal, and I have not heard the Government complaining about that at all. So I agree with you that that is the guideline used in this case, I think it is one thing that has caused all the trouble, and it is completely phony when you consider the rapid increase in the cost-of-living index.

The CHAIRMAN. Mr. MOSS.

Mr. MOSS. I also want to express my appreciation for the clarity of the statement. However, I think it essential in connection with these hearings that we define the fact that the standards which are employed by law, not by an act of this Congress but by an act of a Congress sitting many years ago back in 1936, in placing airlines under the National Labor Relations Act, an act passed by a Congress sitting in 1926, employs an entirely different principle or test as to when the Government should intervene than is applicable to the recent or was applicable to the recent rate on the strike on the west coast. One is under the National Labor Relations Act, Taft-Hartley, where a test of health and safety or national emergency is employed, while the matter now under consideration, section 10, is on a much narrower basis. Isn't it a fact that really the Government became a party at the conference table in transportation disputes when it enacted the National Railway Labor Act of 1926?

Mr. SIEMILLER. I would say that they became a party to it at that time and prior to that time, because that was just the amended Railway Labor Act.

Mr. MOSS. That was the amended Railway Labor Act. It goes back—

Mr. SIEMILLER. World War I.

Mr. MOSS (continuing). To the period of World War I.

Mr. SIEMILLER. Right.

Mr. MOSS. And from then on continuing to the actions taken in 1963, we have seen Government intervention in disputes of this type. Normally the 1963 act certainly was on an ad hoc basis. Apparently this is being urged as an ad hoc settlement. You call it a bailing out. It has been suggested as a cooling-off period, an opportunity for negotiations.

In your judgment, has any progress been made since the turndown of the proposals you submitted to your members just over a week ago?

Mr. SIEMILLER. The answer to your question is "No."

Mr. MOSS. Do the differences in your judgment constituting the basic reason for turndown involve the so-called local issues or the national issues?

Mr. SIEMILLER. A combination of them, Congressman. On some carriers, particularly TWA, that local issue was a hot one out in Kansas City, where the overhaul base is. On other carriers local issues did not present the issue it did there. Both of them were reasons that were used by the members to vote "no," not to accept the offer they had before them.

I am informed that there was another local issue on United that caused some problems there, too. But whether it is local issues or whether it is national issues, it takes it all to reach agreement that we have to have.

Mr. MOSS. But there has been no effort during the weekend for an intensification of efforts to get down to hard bargaining; is that correct?

Mr. SIEMILLER. I should answer your question with a direct "No," there has been no effort. I must say again, though, in all fairness to those that you might expect to get the parties together in this case I guess it would be the Secretary of Labor. I do not sincerely believe that the carriers are going to be willing to carry on bargaining if you put these workers back to work.

Mr. MOSS. We did not select as needing the immediate attention of this committee. That originated in a different body under different circumstances but the question is, it is now before this committee.

Mr. SIEMILLER. No question of that.

Mr. MOSS. And there has to be some resolution made, and I think that the Chairman has attempted to expedite the opportunity for development of the facts of the dispute.

Mr. SIEMILLER. We recognize that, and I wanted to point out in my statement that I recognize the responsibility of each and every one of you. I know myself am a political animal and I work pretty hard in political campaigns. When we support a Congressman and get him to the Senate, we want him to represent all the people in his district, so we are not asking for special consideration in here. What we think we are talking about is America as a whole, and what we are doing to an institute that we value very, very much. So do not misunderstand me on that score, that we think that you selected this issue and you are anxious to—you would much rather we would go settle it ourselves and get it off of your back.

Mr. MOSS. I would certainly much rather you would go settle it yourself and get it off my back.

You indicated that section 4 in your opinion could or probably does, I believe you were a little more emphatic than "could," constitute or have put it in inherently compulsory arbitration.

Mr. SIEMILLER. Yes, sir, that is true. The other time the Congress intervened, compulsory arbitration was the answer. This is just pure and simple, the same thing in our judgment. Eventually, if it is not settled in this period of time, something will happen that will be compulsory arbitration again.

Mr. MOSS. What do you think was contemplated by the Congress when it first wrote the National Railway Labor Act as the inevitable consequence of failure of parties to get together, following the appointment and the rendering of findings by an emergency fact-finding board?

Mr. SIEMILLER. Well, I was around in 1926. I would hardly know what they had in mind. It was a different time, a different area, a different economy. I might respectfully suggest that that legislation needs looking at, and probably brought into the 20th century.

Mr. MOSS. I am concerned as I looked at the increasing rate of mergers in transportation, fewer and fewer carriers, and less and less diversity available to the public, that each and every dispute is going to finally end up here in the Congress.

Do you think that that is a possibility?

Mr. SIEMILLER. It looks that way to me as I see it. Every step you take—you know the first step is a hard one. From then on they become easier, whichever direction you are going, and I think that is inevitable.

Mr. MOSS. You are convinced that the removal of the Congress from the scene would bring about an immediate settlement?

Mr. SIEMILLER. I am solidly convinced of that. The carriers want the airplanes in the sky just as bad as we do. We want them in the sky. We do not want them sitting on the ground. We want the people back to work and working on them but they must go back with an agreement that is just, honest, and fair. The moneys are there. It is not a question of not having the ability to pay. I hope all of you have taken a look upon the fabulous amounts of money, and the moneys that they have paid this year.

Would you believe it, that United has had a 95 percent gain over the first 5 months of last year?

Mr. MOSS. Well, I want to assure you that I have given careful attention to the earnings of the carriers, of the industry. I have attempted within the limits of time to familiarize myself with the competitive wage situation which exists in the major metropolitan areas where the largest number of your members, at least your certificated members are employed, and I am very cognizant of the types of wage scales prevailing in those districts.

Mr. SIEMILLER. I know that, Congressman Moss.

The CHAIRMAN. The Congressman from Minnesota, Mr. Nelsen.

Mr. NELSEN. Thank you, Mr. Chairman.

I would like to join with my colleagues in thanking the witness for his fine statement.

I pursued the question of the Secretary the other day about the permitted increase, based it on a statement that I heard that the airline employees had not advanced salaries as had been done in other branches of similar activities, due to the economic pressure on the airlines and they were therefore behind. In your judgment, is this a true statement that the airline employees were below the national average in the skilled fields?

Mr. SIEMILLER. The skills, yes. The skills required, and again we are talking about the mechanic and higher classification, and the others, the other classifications it is not as prevalent as it is for the skills of the mechanics and higher. But they have, well, just as I said a moment ago—

Mr. YOUNGER. Use the mike, please.

Mr. SIEMILLER. Oh, I am so sorry. Thank you, Congressman. Maybe I am getting too used to these hearings and getting too relaxed up here.

I pointed out a moment ago that an airline mechanic, with the years he is required to work, to develop the skills he must have, the safety of that airplane is in his hands.

Mr. NELSEN. Yes.

Mr. SIEMILLER. He gets \$3.52 an hour. A dockworker out on the west coast up and down the coast gets \$4.14 an hour.

We can take right in Minneapolis-St. Paul where I know you have some interests that are in there. Their skills are equivalent in my judgment to that of a toolmaker and diemaker. You are finding all of them working for \$4 or \$5 an hour that they get and there is an inequity, a grave inequity.

Mr. NELSEN. Now the Emergency Board was appointed by the President, is that not true?

Mr. SIEMILLER. That is true.

Mr. NELSEN. Now the one tone that I gather from your statement throughout is that you seem to blame the carriers for the impasse

that we have reached. Now this Emergency Board is appointed by the President. The carriers are licensed carriers, and recalling what happened in the controversy over steel prices some years ago where certain people were called into Washington and given a lecture, taken out to the woodshed, don't you think there is the possibility that the airlines might find themselves in the same position if they were to defy the demands of the Emergency Board that has been set up by the executive department?

It seems to me that the impasse is pretty much the level that is set by the Emergency Board, and not the carriers altogether. I think that is a conjecture on your part, certainly they cannot defy the White House in this case.

Now, do you have any observations to make?

Mr. SIEMILLER. The carriers are here, they will testify. They would be the best source of information for you. I do not have that information.

Mr. NELSEN. One more quick question. You indicated that if the Congress were to say we are going to do nothing, that this could be settled by tomorrow morning. Do you feel that to be true, a true statement?

Mr. SIEMILLER. I honestly believe it, because these carriers, if they know that the Congress is not going to put their employees back to work, they are going to get their airplanes in the sky, believe you me.

Mr. NELSEN. Now are you of the opinion that if you were to agree to a settlement, that by tomorrow morning your membership would approve the agreement that you would agree to?

Mr. SIEMILLER. I could not get it to them by tomorrow morning, but for your information, I stated earlier that I had asked and they have acquiesced to my request. I have brought in the presidents of our largest, our 12 largest local unions involved on these 5 carriers, including the president of the local union in Minneapolis-St. Paul, that we would have.

I have them here as a further source of advice, help. We would have a pretty doggone good idea if it is going to be accepted or not before we go out with it, because they just came fresh from the ranks of where the people are. They know their answers, and they are here for help, cooperation, and anything that they can do to help get a settlement.

Mr. NELSEN. Now you indicated that the settlement had the ingredients for settlement, the one that finally was agreed upon. If you are so confident that the members would accept an agreement by tomorrow morning or almost immediately, am I to assume that you really were not enthusiastic about the agreement that you agreed to at the last period of negotiation?

Mr. SIEMILLER. I think we are bandying with words. I would rather say I felt there was enough there, bar minimums. I was not overly enjoyed with it. The fact that there were no pensions involved, payment for pensions involved in that agreement, I knew it would have to be overcome. I felt personally, and the negotiators did with me, that there was a real good possibility that the people would accept it. It was the best that was forthcoming at the time. We felt we should try it. We also would like to say that the whole situation weighs heavily on our shoulders also.

We have a stake in this country, in America, and we want to preserve it.

Mr. NELSEN. Now the observation that I would like to make, reports came to me that the terms of the settlement were not made available to the membership prior to the announcement of settlement, and were I a member of the local, I would certainly resent having somebody tell me that my problem has been settled, if I did not know the terms of the settlement. Was it with your concurrence that these announcements were prematurely made or have you any observation on that?

Mr. SIEMILLER. It was with my concurrence. I did not object to saying that the committee had reached agreement with the carriers, reached a settlement with the carriers that we were prepared to recommend to our membership.

Our membership understands that. I do not think there was resentment from them on that. And even in a freethinking State like Minnesota I do not think we run into that. That was not a fault.

Mr. NELSEN. It seemed to me that there was evidence of some resentment of that. However, I might say that some of us have been locked up here now for a month, and when you say that there is no area without airline service, we may have airline service, but I cannot get aboard, and my last trip home was in a little twin-engine Beech and I had to thumb a ride back with the Vice President, and I hope you people get together and get this settled, and certainly I would join with my colleagues in the hope that it can be settled without congressional intervention.

The CHAIRMAN. The gentleman from Michigan, Mr. Dingell.

Mr. DINGELL. Thank you, Mr. Chairman.

Mr. Siemiller, you have made a very excellent statement. I want to discuss with you a number of points in connection with the comments.

First of all, you told the Senate committee that you were prepared to discuss any questions at issue at any time. Do you still stand ready to carry forward that same commitment?

Mr. SIEMILLER. Yes, sir.

Mr. DINGELL. If the Secretary of Labor, Mr. Reynolds, the Assistant Secretary, were to convene a meeting during the time that this committee and the Congress is considering the legislation that is now before us, would you and the members of the Machinists Union and their representatives be present for whatever discussions were called?

Mr. SIEMILLER. Absolutely. We are all in this room right at this moment. We are ready in 20 seconds.

Mr. DINGELL. Would you be prepared to discuss fully and openly the questions at issue despite the fact the committee happens to be considering legislation?

Mr. SIEMILLER. We would strive to achieve the same thing that we must have if our people accept it. We would discuss it openly, and we would say, we would tell them very honestly, and we have got a bigger force to use, a better sounding board that is here and available, we would say we believe that this will settle it or this will not settle it.

Mr. DINGELL. Are you able to tell us why the results of the White House negotiations were not ratified by the unions?

Mr. SIEMILLER. Yes.

Mr. DINGELL. Let me state this before you answer. In fairness to you, I would like to have it as particularly if possible on a line by line basis, because I understand the issues are very different. Could you

give us that information. Perhaps you would want to submit it for the record rather than to give it right here.

Mr. SIEMILLER. I would, rather than to do it just off the cuff, I would rather prepare it. But what I tried to point out a while ago, in answer to a similar question, there were different issues that are involved, and possible different factors at different locations. For the first time we have five carriers in joint negotiations.

If we ever get over this hump, which we will, it will be good, because we are bringing uniformity within an industry that is competitive one with the other. But we find situations existing where on different carriers they have different benefits in effect. Different things have been negotiated. So when you try to bring some uniformity, let me give you just an example of what I mean.

On Eastern Airlines, they already had in effect 3 cents per hour for mechanics and above on line maintenance as a differential. The other carriers, the other four did not have this in effect, or anything. Part of the agreement was to put into effect 5 cents per hour for a differential on line maintenance mechanics and above. The fact then would remain that employees on Eastern would only gain 2 cents. They had already been enjoying 3 cents, but they would gain 2 cents, while the others would gain 5 cents. The Eastern people, and I imagine rightfully so, felt "Well, we should have something else to make up for the 3 cents." Once you get it, you forget about that apparently in this. There could be some issues of that kind, and those are some issues that are involved in this, to bring uniformity.

Principally, the wage increases were triggered in too late. That was one of the principal ingredients. There was nothing in the package on pensions, and the other benefits came in too late in the 3-year agreement.

You see, they did not all become effective as of now. Some of them became effective in 1967, some in 1968, and like some other segments of our society, they are saying they want something now.

Mr. DINGELL. I recognize it is very difficult for you to discuss these matters without essentially making commitments of position as to the IAM which is something I am sure you do not want to do. But can you tell us whether or not there was any inclination on the part of the membership to reject the package because of loss of some existing or long-established pension or other working conditions or something of these rights.

Mr. SIEMILLER. There was no loss of pension rights or anything they had. There was nothing in the package that would take that away. There was something on a local condition on United Air Lines that created, that was a take-away that had been agreed to on a local issue, that created part of the problem. But the fact that they would still be contributing toward the pension that they secured was an issue, and there was no relief in that field.

Mr. DINGELL. Now could I ask this question? Did the membership of your union insofar as it would constitute the work force on any particular line ratify the package?

Mr. SIEMILLER. Did a majority on any particular line?

Mr. DINGELL. That is right.

Mr. SIEMILLER. The answer is "No." It was rejected on all lines.

Mr. DINGELL. On all lines? Had it been accepted by one line, would it have been appropriate for that line to go back to work?

Mr. SIEMILLER. No. We signed an agreement with the carriers as to how the ratification would take place, and the total vote of all five lines would be added together for acceptance or rejection, which is only fair.

In fact, these carriers do not know here, neither do the presidents of our local unions, exactly where it carried and where it did not. We did not divulge that information. But in answer to your question, I can truthfully tell you it did not carry on any property.

Let me add one thing more. You went into something, and I did not tell you that one of the ingredients that was lacking, that there was big resentment from all across the country that will have to be in there if we get it accepted, is a cost of living escalator clause, and that was not in the package before, and that came from every station across the land.

Mr. DINGELL. The chairman has indicated that my time is up, but you were going to submit to the committee, as totally as you are able a list of the reasons for the rejection on a line by line basis and also insofar as possible, I hope on an area by area basis, if you will, please.

I realize it is difficult, but this committee would find it helpful.

Mr. SIEMILLER. It would almost be an impossible task for me to try to do that. It would be pure speculation. I could give it to you in toto.

The CHAIRMAN. I might make the announcement now that I have from the Secretary of Labor, in answer to a request of the committee, a copy of the tentative agreement reached on July 29 by the representatives of the International Association of Machinists & Aerospace Workers and the five airline companies which I am going to introduce into the record at this point so that the committee will know what that tentative agreement was.

(The agreement referred to follows:)

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 8, 1966.

HON. HARLEY O. STAGGERS,
Chairman, Interstate and Foreign Commerce Committee,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: You requested, at Saturday's session, that the Committee be supplied with a memorandum describing the tentative agreement reached on July 29 by representatives of the International Association of Machinists and Aerospace Workers and the five airline companies. This memorandum is transmitted herewith.

You also requested, on behalf of the Committee, that intensive efforts be made over the weekend to get a settlement of this case by agreement between the parties.

These efforts have been made.

There has been an extended series of discussions throughout the weekend with representatives of both parties.

In the course of these discussions, which included the suggestion of various alternative possibilities, the Union representatives were requested to indicate the contract terms which they would agree to and which would in their judgment be ratified by the Union membership.

Upon receipt of these terms, late yesterday, they were presented to the airline representatives—who rejected them.

Mr. Reynolds and I have had in mind the suggestion by several members of the Committee that joint meetings of the parties might prove productive. We have discussed this with both parties. They have both opposed it as being pointless on the basis of the discussions which have taken place. This has also been our own conclusion.

Committee members inquired at the sessions last Friday and Saturday whether the parties' positions are "close" or "far apart."

This is the present situation:

The tentative agreement reached on July 29 provided for wage rate and fringe benefit increases with a value and cost, over the three-year contract period, of approximately \$74 million.

The Union now states its present position as being a return to its proposal of July 7. This involves wage and fringe increases with a value and cost, over the three-year period, of between \$100 million and \$110 million. The Union proposal also includes the addition of a cost-of-living clause to the wage provisions.

The Companies have made no proposal going beyond the terms of the tentative agreement of July 29.

This means a present difference between the parties of approximately \$26 to \$36 million (for the five airlines over the three-year period).

In short, I must advise the Committee that the weekend's mediation efforts offer no increased promise of settlement of this dispute by mutual agreement under present circumstances or in the identifiable near future.

The Committee also requested certain "productivity" figures. These are being assembled, and will be transmitted to the Committee later today.

Secretary Reynolds will attend the hearings and will of course be glad to be of all possible assistance to you and the Committee.

Respectfully,

W. WILLARD WIRTZ,
Secretary of Labor.

TERMS OF MEMORANDUM OF UNDERSTANDING (DATED JULY 29, 1966) BETWEEN THE 5 CARRIERS' NEGOTIATING COMMITTEE AND THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS FOR A 3-YEAR CONTRACT BEGINNING JANUARY 1, 1966

1. *Wages.*—5 percent increase for each occupational rate effective January 1, 1966; an additional 5 percent increase effective July 1, 1967; and an additional 5 percent increase effective July 1, 1968.

Elimination of the first wage progression step for each classification effective January 1, 1967; elimination of the next to last wage progression step effective January 1, 1968.

2. *Vacations.*—Four weeks vacation after 15 years, effective January 1, 1967.

Three weeks vacation after 8 years, effective January 1, 1968.

3. *Holidays.*—An additional paid holiday (Good Friday), effective January 1, 1967.

4. *Premium Pay for Holidays Worked.*—Two and one-half times pay (including holiday pay) for all hours worked on each of eight specified holidays, effective July 1, 1967.

5. *Health and Welfare Plan Contributions.*—Five cents per hour worked (with a maximum of \$2.00 per week) toward the cost of employee dependents' coverage under employee health and welfare plans, effective January 1, 1967. Contributions limited to employees with dependents. Applicable to United, Trans World, North West and National Airlines (Eastern Airlines is currently paying 5 cents per hour toward this coverage).

6. *Line Maintenance Differential.*—Five cents per hour differential for mechanics and higher classifications employed on line operations on United, Trans World, North West and National Airlines, effective July 1, 1967. A differential of two cents was provided for Eastern Airlines where a three cents per hour differential is already being paid.

7. *Local Issues.*—All local issues not agreed upon to be withdrawn.

Mr. MOSS. Mr. Chairman, will you yield at that point?

The CHAIRMAN. Yes.

Mr. MOSS. I would like to ask that copies of that be made available to each member of the committee not later than this afternoon for their study and consideration.

The CHAIRMAN. That will be done so the committee will know. And further, before I call on Mr. Keith, I have gathered the impression as we have gone along here that the impression may have been given that maybe this committee will not report out this legislation. I want to dispel this in the minds of any man who is sitting before us or who

has been listening anywhere. I am certain that when we come to vote, the committee members will accept their responsibility. We do have legislation before us, and it will be acted upon.

I do not know in what form it will be. That is the prerogative of this committee to amend or do as they please, but I am certain they will accept that responsibility.

Mr. Keith.

Mr. KEITH. Thank you, Mr. Chairman. As my colleagues have said this morning, I have heard, and I cannot tell you the source of it, that you have said or representatives of your unions have said that there is a possibility that there might be a slowdown if they went back to work or were ordered back to work.

Mr. SIEMILLER. I did not say it. That might have been an impression that some people got, in answer to a question asked by Mr. Shore of CBS. He said in speculation, "What would happen if the Congress passes legislation and the people have to go back to work without an agreement? In your judgment, just what is going to happen?"

I told him first, and I said so in my statement today, that a lot of people are going to resent it. They are Americans. They are mature people. They served in the Armed Forces. They feel their basic freedoms have been taken away from them, so they are going to be unhappy.

Mechanics with from 1 to 3 years of service don't have very much equity in a company. They are going to quit, some of them.

Mr. KEITH. I have read that, sir, but I would like—

Mr. SIEMILLER. Wait, I am coming to the rest of it, if you will. I said some of them are going to quit. The others that go back to work, they are not going to necessarily slow down, but they are going to know that the onus is on them, that they are going to be supervised very closely, that their work, they are going to be suspect. You want to remember Braniff dropped one out of the sky yesterday unfortunately. Another one is going to happen as long as there is air transportation. These workers are going to be very, very careful that it is not their fault that an airplane falls out of the sky. They are going to do their work well. If they do it that well, they are not going to do it as fast as they do sometimes, so that is all that I said on that. They are going to be very careful. They are going to protect themselves. Their work is going to be well, and if they do not sign it off and the supervisor signs it off in their place, they are going to have a record of it too, because you will be before some congressional investigating committee.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. KEITH. Yes; I will yield.

Mr. CUNNINGHAM. Sir, Secretary Wirtz did say that he did not consider this compulsory arbitration, but I just wanted that brought out. Now it seems to me, and I believe very much in collective bargaining, and one of the votes that I had to cast in this committee a few years ago was the worse one I had to cast and that was in the railroad strike. But I think collective bargaining is suffering in the public image, because it seems to me that you and the carriers and the Government are acting like a bunch of little kids. What do you do? Do the carriers sit in one hotel room and wait for a call from you and do you sit in another room and wait for a call from them, and what happened over the weekend? Did anybody actually call you and say

that you should start, were you available for negotiations and bargaining?

Mr. SIEMILLER. Secretary Wirtz called. Let me say to start with, you and I have something in common. I was born in Nebraska, so we can get started on this. North Platte is now advertising the fact as people drive through Gothenburg, they are not flying, that I was born there, on this.

But the carriers and I, while we disagree, we are not disagreeable with one another. We talk to each other every time that we want to. Secretary Wirtz did call me yesterday.

Mr. CUNNINGHAM. And what did he say?

Mr. SIEMILLER. He said "Come on over to the office."

Mr. CUNNINGHAM. And did you go over to the office?

Mr. SIEMILLER. I went over to his office.

Mr. CUNNINGHAM. Did he call the carriers?

Mr. SIEMILLER. He told me later—the carriers are here—he told me later he had the carriers meeting with him last night.

Mr. CUNNINGHAM. Did he call them over to talk with you? He must have told you.

Mr. SIEMILLER. The carriers were not at the Secretary's office when I was there.

Mr. CUNNINGHAM. Well, you seem to leave us a little in the dark. He called you over, he ought to call the carriers over. Did you call the carriers?

Mr. SIEMILLER. No, I didn't call them.

Mr. CUNNINGHAM. Why not? Why didn't you call them and say "Let's sit down and settle this" like the chairman of the committee asked you Saturday or asked Mr. Wirtz? Why didn't you call them up?

Mr. KEITH. I yielded and my time is just about all gone. This is the first time we have seen you at a loss for words.

Mr. SIEMILLER. I don't know why. Why don't you do anything? Why did you tell your wife you didn't like her breakfast this morning? This is something else.

Mr. CUNNINGHAM. The whole idea of collective bargaining is going to suffer more in the public image than it is from any legislation, because everybody sits down and says "I'm here, ready" and the other guy says "I'm here, ready" but you never get together. Are you afraid to lift up the phone and call somebody?

Mr. KEITH. I refuse to yield further. I think you are waiting for the Secretary to do something and that means once again the Government is back in, and I think Mr. Cunningham has made a good point here. Now somebody has got to be frank and forget pride and say "Let's get together," and I am disappointed that you didn't get together Sunday as the chairman asked you to and I don't think it should be Mr. Wirtz. The first one to make that phone call—it would have given you the chance—

The CHAIRMAN. The time of the gentleman is up. Mr. Rogers of Florida.

Mr. ROGERS of Florida. Thank you, Mr. Chairman. Mr. Siemiller, we all appreciate your testimony and the frankness in letting us have your opinion. Of course, the only reason that Congress is concerned about this as you know is because of the public interest, and for me this is the primary interest, and I think the chairman has stated it

well when he said this committee will meet its responsibility. So I think both parties should be aware of this, as I am sure you must be, because we are having daily reports of what is happening in our areas, even though it has been said only 61 percent right now of the carrier travel is involved. We know others are imminent if something isn't worked out.

We have had a trial period. The public has been fairly—they are willing to have the disruption of this substantial intervention to many parts of the country. It isn't just the resort areas. This is what concerns me. It is tried to be thrown off as well it is just a little hotel area that somebody might want to go to, to take a vacation. But now this is not the case, and in fact already I am having governmental bodies pass resolutions for the Congress to take some action to settle this in the public interest, and that is the way I want to look at it, in the public interest.

Now all of us want labor and management to be as strong as they can, but over all there must be an overriding consideration of the interests of the public, and I think you will agree with that.

Mr. SIEMILLER. I certainly would, Congressman, except this. I might disagree with you on who the public is. If you take industry and labor out of the public, we don't have much left.

Mr. ROGERS of Florida. Well, there are other industries.

Mr. SIEMILLER. That is right.

Mr. ROGERS of Florida. But the fact as I understand it is that the strike that you have called has put other laborers out of work that are not directly involved.

Mr. SIEMILLER. That is a very correct statement.

Mr. ROGERS of Florida. So those people aren't enjoying pay either, so there must be some consideration given there I would presume.

Not let me go to this point. That the reason the Congress passed the Railway Labor Act was because they did not want substantial interruption in interstate commerce because of public interest. Now that is the basis, not whether it is a great national emergency.

This is made pretty clear I think in the law. I notice in your statement on page 3 you state that of passenger-miles traveled, 2 percent is by railroad, and 5.9 percent by domestic air carriers. You can recall in 1963 that President Kennedy made a suggestion that was far more reaching than the present proposal before us. He suggested a 2-year period of what he called a "cooling off," not of compulsory arbitration, and certainly there is no compulsory arbitration in here in this proposal, although I see you say in paragraph 4 this might lead to it.

Well, of course, I think this would be made very clear as to whether it does or does not, whatever this committee may do, but the present proposal as this committee understands it I think, is that it is not compulsory arbitration. It is more of a cooling off period and an extension of what you have already been through under the Railway Labor Act, and it is another 180 days.

Now what we are interested in is trying to stop this interruption of commerce where businesses are being affected. I don't know now whether we are going to start seeing, because of an overloading of airlines, a number of crashes. Now we have had a crash by Braniff Airlines where some 40 lives have been lost. Now I would not pre-

sume at this time to say whether it is because this aircraft has been overused during this period of time, whether the airline pilot was being used to such an extent, but these are problems that may crop up if we continue to let this situation exist. I think you will agree that neither side can get every point that they want. You agree to that; don't you?

Mr. SIEMILLER. Absolutely.

Mr. ROGERS of Florida. We know that, so we are going to have to come to some agreement. As I say, I think this Congress and this committee is going to have to meet its interests, and that is going to have to be the public interest, and that has got to be paramount to labor or management in a particular situation.

Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman from Pennsylvania, Mr. Curtin.

Mr. CURTIN. Thank you, Mr. Chairman. Mr. Siemiller, I personally want to say that I think you have presented your side of this controversial matter very ably. Mr. Siemiller, I notice that all of the news media reports of the results of controversial strikes particularly, it is always reduced to a percentage increase of a package deal. So far as this last proposed settlement or rejected settlement is concerned, one group or party said that the increase was I believe approximately 4 percent. Another party or group or agency said that it was 6 percent, and as I recall, I think there is even a third group that said it was just about within the guidelines which have been laid down by the President.

Now, what, in telling your membership of the results of your negotiations and your proposal did you tell them was the percentage increase in this proposal?

Mr. SIEMILLER. I would like to read to you the telegrams that we sent out as to exactly what was there, and we did not tell them anything about the percentages, because you take any set of figures that you want. They are all speculative.

Could I read to you the telegram that was sent out to the—

Mr. CURTIN. If it is not too long. My time is not unlimited.

Mr. SIEMILLER. I will give you facts as to what they had before them if you want it.

Mr. CURTIN. If I could ask this question instead in the interest of time. The news media always use the percentage increases. Do they get those percentage figures from the parties or do they conclude that when you give them the complete results of what the gains are?

Mr. SIEMILLER. We do not use the percentages that we have. I don't know how or where they get these. The newspapers, it makes good headlines to show that they got something that exceeded the so-called Presidential guidelines. I don't know why that is used. But I think it is a mistake.

Mr. CURTIN. If I could ask this question, in the event that you should get what you are insisting is what you will settle for, can you tell us approximately what the percent increase would be?

Mr. SIEMILLER. No, sir.

Mr. CURTIN. You are not in a position to do that?

Mr. SIEMILLER. There are too many improbables. How many employees are you going to have? What is the increased productivity going to be on the airlines? They have got one of the greatest increases in productivity of any industry in this country, and as the

President stated, the indications are that it is going down, down, down, or exceeding the cost.

Mr. CURTIN. Then when you discuss a proposed settlement, either with the membership of your union or with the carriers, how are you able to do that if you completely ignore the percentage increase as laid down by the President in his guidelines?

Mr. SIEMILLER. The President in his guidelines are of no concern to us as a union. Let me say that fully and clearly. We don't buy it. We want no part of them. We want cents per hour. We said to our people that we wanted 5 percent the first year, to the carriers. Five percent produces I believe 18 cents for a mechanic. We know that he is getting 18 cents an hour, and that is what he is interested in at the time when we say it that way.

Mr. CURTIN. So that then when you are negotiating, the 3.2 percent which has been advised by the President doesn't enter into your considerations at all?

Mr. SIEMILLER. How could it when they even changed the formula to get 3.2.

Mr. CURTIN. Then it does not.

Mr. SIEMILLER. It does not. I am sorry I didn't answer your question.

Mr. CURTIN. Now, Mr. Siemiller, the figure of \$3.62 an hour I believe has been what has been given, again in the news media as pay for members of your union. Is that the general average or is that the highest of the membership's pay or just how is that figure of \$3.62 arrived at?

Mr. SIEMILLER. That figure is \$3.52.

Mr. CURTIN. I am sorry.

Mr. SIEMILLER. That is the pay for an airline mechanic which is the top of the ladder that you have. The average rate for the bargaining unit is \$3.52 an hour.

Mr. CURTIN. \$3.52 is the highest rate that any member of your union gets?

Mr. SIEMILLER. No, not quite. There is some longevity that is added to that. There are some differentials, night shift differentials and things of that kind, but then there are also rates for lead mechanics above that, but this is the basic skill group that we look to go from.

Mr. CUNNINGHAM. Will the gentleman yield?

Mr. CURTIN. I yield.

Mr. CUNNINGHAM. Mr. Siemiller, you mentioned throughout your talk of the profits of the carriers which are high and I agree, and I agree also that your employees should share fully in those profits, but the question I have is you did agree to this settlement, and so I don't know now—that is you did, the negotiators—I don't know now that it is fair to criticize the carriers too much, and I am wondering this. I saw that break in on television of the announcement, and you and the carrier representatives walked up to the microphone and read identical statements. Did you get together and prepare that or did somebody down at the White House prepare that or how was it prepared?

Mr. SIEMILLER. I prepared mine—Mr. Curtin is here, you can ask him where he got his if you would like to—and I am sure the President prepared his own.

The CHAIRMAN. The time of the gentleman has expired. The gentleman from North Carolina, Mr. Kornegay.

Mr. KORNEGAY. Thank you, Mr. Chairman. Mr. Siemiller, I would like to welcome you here and thank you for the fine statement you have made as to your point of view on this controversy. Without arguing with you whether or not it is a national emergency, I do want to point out that insofar as the terms and conditions of the Railway Labor Act is concerned, that in my area of the country and in my State, North Carolina, it certainly has been deprived of essential services there because there is only one airport in the State.

You wouldn't even get to make the presentation that you would to an arbitrator. The results may be better.

Mr. WILLIAMS. Mr. Chairman, a parliamentary inquiry.

Mr. Chairman, the House is in session. I am not going to make a point of order this afternoon. I am going to leave, because I think the business on the floor is much more important than this business is, even though this is important.

I am going to leave, and I just wanted to inquire how long the committee intends to stay in session while the House is in session.

The CHAIRMAN. It is the hope of the Chair that the committee can stay in session until a quorum call.

Mr. WILLIAMS. Mr. Chairman, I plan to leave to go to the floor, and if a quorum call hasn't been made before I get there, I will make it. I would like to state, Mr. Chairman, that the sooner this committee breaks up, the more time these parties are going to have to bump heads and try to get together.

I would suggest that the Chair advise both sides, who I am sure are represented in this room, if they want to contact the others and they cannot contact them in this room, there are telephones outside which I am sure the committee will be glad to make available to them.

I would hope that both sides will relax their bullheadedness just a little and see if they can't get together and wind up so Congress will not have to bump their heads for them.

The CHAIRMAN. I thank the gentleman from Mississippi.

The gentleman from Nebraska.

Mr. CUNNINGHAM. Thank you, Mr. Chairman.

Sir, is it within your prerogative to say what Mr. Wirtz called you down here for over the weekend?

Mr. SIEMILLER. Yes. We have no secrets. I don't lock my files in my desk and we have no secrets. He called us down there and wanted to know what I thought was the very least it would take to get an agreement. We had some discussion.

He said he was later meeting with the carriers. In fact, collective bargaining is such that many times separate meetings with a mediator with the ability of Secretary Wirtz is much more helpful than getting together, because you get heated sometimes and you call each other pet names.

Mr. CUNNINGHAM. And you did give some recommendations that you thought might bring this to a conclusion?

Mr. SIEMILLER. We had a discussion, Congressman. I want to reach agreement. It would do no good—

Mr. CUNNINGHAM. I understand. It has evidently been established that under section 10 of the Railway Labor Act, that this perhaps does threaten substantially to interrupt interstate commerce, depriving

transportation to some sections of the country, and amounts to an inconvenience and the ability of people and goods to move.

I am not one who believes it is a national emergency. I am not one that knows. I think only the President, who has at his command all of the agencies affected, would be able to determine that. It may be a national emergency in the minds of many Members of this greatest deliberative body in the world when it goes home to campaign, but outside of that, I would have to rely upon the executive branch to tell us what is a national emergency.

I certainly don't have facilities at my command to make that determination.

Mr. FRIEDEL. Will the gentleman yield?

Mr. CUNNINGHAM. I do think, from talking to some of the Members that I know, they did resent the fact that they were told nationwide that the strike had been settled. You have a very deomocratic union. I compliment you for that, and I think that just didn't set well with them, at least some that I talked to.

That may have been a factor in this whole impasse that we have now.

I was interested in this letter from Smithfield, Mo., by Mr. Ritchie. It is a very well done letter.

He indicates that he has a horror of creeping socialism and space and defense against our Constitution, against the pressures, and I know that man is sincere, and that is some of the philosophy that I hold.

I consider myself somewhat of a moderate. I was one of about a dozen members on our side of the aisle that voted against the Landrum-Griffin bill, because I come from a union family, but I was a little bit disappointed when I watched the Walter Cronkite show, an hour-long special the other night, when you said that your union was only interested in supporting liberals, and a lot of us don't fall in that category, although we think we try to do a good job and we are against creeping socialism and for constitutional government.

Mr. KEITH. Would the gentlemen yield?

Mr. SIEMILLER. I would like to answer the Congressman, if I might, on that one.

Let me say if I could, please, sir, we have our definition of liberals. They are not on one side of the aisle. They are on both sides of the aisle, and if I had written this letter, I wouldn't have used the words "creeping socialism." I would have found some other way to express what I think he means.

Mr. KEITH. Would the gentlemen yield?

I would be delighted if you and Mr. Curtin would join me in a glass of cranberry juice in my office following the session. I am the "Cranberry Congressman."

I will forget the quorum call. Will you drink that cranberry juice with me, Mr. Siemiller?

Mr. SIEMILLER. I am afraid we have got a commitment right after this adjournment. I would sure like to have a raincheck on that.

Mr. KEITH. All right.

Mr. WATSON. Mr. Chairman, will the gentleman yield? He has made a very interesting statement.

You said you had a commitment immediately upon adjournment of this committee?

Mr. SIEMILLER. Yes, sir.

Mr. WATSON. Could that commitment possibly be to meet with the negotiators to try to work out a settlement?

Mr. SIEMILLER. I am not at liberty to say.

Mr. WATSON. That should not be a difficult question. If you want to work it out, and if that is a commitment, Mr. Chairman, I am ready to make a point of order now that the House is in session.

He has 10 of his key representatives of the locals here. If they want to prove that collective bargaining will work, and if you want to put an end to this legislation, you can do it in a hurry.

I am of the opinion that you are planning to meet with the members of the carriers and if that be true, Mr. Chairman, I am very reluctant to do so, but I am afraid we are just whistling Dixie here.

Mr. VAN DEERLIN. Mr. Chairman, I wish the gentleman would withhold his point of order for a minute or so. I think maybe we have the basis of a settlement here.

Mr. WATSON. I would like for the principals to settle it rather than this committee. I will withhold temporarily the point of order.

The CHAIRMAN. The gentleman's time has expired.

The gentleman from California, Mr. Van Deerlin, is recognized.

Mr. VAN DEERLIN. I thank the gentleman. I suppose I am bound now to settle this dispute.

Mr. SIEMILLER. We are all ears.

Mr. VAN DEERLIN. I know it would be improper to pry into the terms of your conversation with the Secretary on Saturday afternoon, Mr. Siemiller.

I note, however, the one thing which you mentioned was almost unanimous in the comments from the locals around the country in rejecting the terms of the settlement a week ago was the lack of a cost-of-living escalator clause in the settlement.

In the closing moments of your questioning by Mr. Dingell, you emphasized this point. In other sections of your union, notably in the aircraft workers in my locality, the cost-of-living escalator clause has been an important part of every agreement you have signed for the last 7 or 8 years. It has worked well, and it has the happy factor of being received without argument on any side.

It seems to me that the so-called economic guidelines that have been imposed by the administration cannot be violated by a cost-of-living escalator clause. In the normal course of events—I see John Bell made it.

The CHAIRMAN. The gentleman will be allowed to complete.

Mr. VAN DEERLIN. In the normal course of events in bargaining, it is necessary after a rejection to take something new to the membership.

Mr. SIEMILLER. That is correct, yes, sir. I would not be justified in taking back to the members the same package that they turned down. It would just be an exercise in futility, and there must be a cost-of-living escalator clause in the package that goes out next time.

Mr. VAN DEERLIN. Yes. Now, whether this in itself would do it would remain to be seen.

Mr. SIEMILLER. It would take a little more.

Mr. VAN DEERLIN. This would be a pretty sound beginning, wouldn't it?

Mr. SIEMILLER. Yes, it would.

Mr. VAN DEERLIN. By the Secretary's own testimony on Saturday, he indicated that there had been no plea of poverty on the part of any of the five airlines involved. Without asking any more questions or taking any more time, I would express the hope that all sides could agree to this at the beginning of a new presentation to the membership.

Thank you, Mr. Siemiller.

The CHAIRMAN. We wish to thank you again. I would like to say in closing that the committee will meet tomorrow morning at 9 o'clock.

Mr. NELSEN. Mr. Chairman, I am wondering if we could not get this thing settled so I can get home to my farm this weekend.

The CHAIRMAN. Just one moment. I was going to make a statement.

As I said in my opening statement, it is necessary for us to expediate these hearings. It is before us, and I do not believe that any Member of Congress or any member of the committee is going to not accept his responsibility here. We won't discuss why it is here. It is here and we will work on it.

But again, I just want to say that it is the hope and wish of every member of this committee that collective bargaining start immediately and that the strike be ended before tomorrow morning.

I would say this. We are going to meet tomorrow morning at 9 o'clock and have night sessions, in order to expedite this legislation, but we believe again that the two sides should take the opportunity to talk the thing over.

Mr. DINGELL. Mr. Chairman, on that point, in response to the comments made by Mr. Rogers as to the question whether the airlines have been safely operated, which has come up, I would like to request that the staff be directed to inquire of the FAA and the CAB whether there has been any weakening of safety regulations which would result in any deterioration of safety to the people of the country in the operation of the aircraft.

Second, Mr. Chairman, I would like to inquire that the record be made available to the members of the committee at the earliest possible time so that we may continue our study.

Third, I think it would be very useful to suggest to Mr. Siemiller on behalf of the committee that we would hope that at the earliest possible time, he would again make himself available to the Secretary for continuation of whatever discussions are possible toward negotiation and also that the Secretary be advised if there are useful developments.

The CHAIRMAN. The committee is adjourned until tomorrow morning at 9 o'clock.

(Whereupon, at 12:20 p.m., the committee recessed, to reconvene at 9 a.m., the following day, Tuesday, August 9, 1966.)

AIRLINE LABOR DISPUTE

TUESDAY, AUGUST 9, 1966

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The committee met, pursuant to recess, at 9 a.m., in room 2123, Rayburn House Office Building, Hon. Harley O. Staggers (chairman) presiding.

The CHAIRMAN. The committee will come to order.

First, for the record I would like to insert two letters that I have received in answer to a request of the chairman. One from the Chairman of the Civil Aeronautics Board in relation to the recent Braniff Airlines crash, and also the general question on the effect of air safety of the strike. This will be inserted in the record at this point.

Also one from the Federal Aviation Agency, William F. McKee, Administrator. In answer to our request the FAA is surveying the operations of the nonstruck airlines who are continuing to conduct flight operations, especially on safety.

This will be inserted in the record.

(The letters referred to follow:)

CIVIL AERONAUTICS BOARD,
Washington, D.C., August 8, 1966.

HON. HARLEY O. STAGGERS,
*Chairman, House Interstate and Foreign Commerce Committee,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: You asked that I answer two questions: First, what relationship, if any, is there between the current strike situation and the recent Braniff Airlines crash; and second, what effect, if any, has the current airline strike had on air safety?

In response to the first question, you may be advised that we have no information which in any way suggests that the strike had any effect relative to the Braniff crash. Should any such information develop in the course of our current investigation, we will promptly advise you.

On the more general question of the effect on air safety of the strike, the following information may be useful: From the outset of the strike it was agreed that every effort would be made to maintain operations at the established air safety level. To our knowledge the Federal Aviation Agency has granted no authorization for deviation from the existing safety regulations. Moreover, instructions were issued to all Board safety personnel in the field that should it come to their attention that the strike was having any adverse impact on safety, that such matters were to be promptly called to the attention of the Director of the Bureau of Safety in Washington. No such reports have been received to date.

With the foregoing in mind, it is our current judgment that the strike has had no adverse effect on the safety of the operations currently being conducted.

Sincerely yours,

CHARLES S. MURPHY, *Chairman.*

FEDERAL AVIATION AGENCY,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., August 8, 1966.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In answer to your request the following are the procedures we are using to survey the operations of the non-struck airlines who are continuing to conduct flight operations.

Following the July 8, 1966, commencement of the IAM strike we immediately implemented special inspection procedures designed for use during a strike situation. In fact on June 29, in anticipation of this strike, we alerted our field offices to the need for special actions to insure continued safety of airline operations. These special inspection activities are intended to insure that those air carrier operations which continue during a strike do so with no derogation of safety. Special emphasis is placed on increased FAA surveillance, on a continuous basis, of all phases of airline operations.

The scope of this special surveillance includes an increased number of en route inspections of flight procedures and crew performance and a vastly increased monitoring of ground operations including airplane servicing and maintenance.

In order to provide the necessary manpower we have temporarily reassigned inspectors who are normally assigned to the airlines affected by the strike, to assist in the surveillance of those carriers still operating.

Status reports are required from the inspectors assigned to this accelerated inspection activity regarding any deficiencies noted and the type and status of the necessary corrective action. No exemptions have been granted by FAA for flight time limitations, maintenance procedures, or any other safety regulations.

Special emphasis is also being placed on monitoring the military contract operations which the airlines affected by the strike are continuing to perform. In view of the lack of availability of airline seats and the resultant increased activities of air taxi operations we have also increased our surveillance of such operators.

This increased surveillance will continue until normal operations are resumed. We are also taking steps to insure orderly and safe resumption of service by struck carriers.

Sincerely,

WILLIAM F. MCKEE, *Administrator.*

The CHAIRMAN. Mr. Siemiller, you were on the stand yesterday when we adjourned.

**STATEMENT OF P. L. SIEMILLER, INTERNATIONAL PRESIDENT,
INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE
WORKERS, AFL-CIO; ACCOMPANIED BY PLATO PAPP, GENERAL
COUNSEL; JOSEPH RAMSEY, VICE PRESIDENT IN CHARGE OF
AIRLINES; AND VERNON KIRIKOWIC, RESEARCH DIRECTOR—
Resumed**

Mr. SIEMILLER. Yes, sir.

The CHAIRMAN. Before we start this morning I would like to ask you a question. It is common knowledge that there was a meeting of your organization and the airlines with the Secretary of Labor yesterday. In your opinion was any progress made in negotiations or collective bargaining?

Mr. SIEMILLER. In my opinion the Secretary expressed it exactly right when he said it was zero. There was no progress made.

The CHAIRMAN. I might ask this. My colleague, Mr. Friedel, asked if there had been any give and take on either side on these questions, any proposals for give and take.

Mr. SIEMILLER. None whatsoever.

Mr. SPRINGER. Mr. Chairman, may I clarify this more exactly? In talking very broadly, Mr. Siemiller, the proposal which as I understand it was agreed on between you and management on July 29 was \$74 million, is that correct?

Mr. SIEMILLER. As I said yesterday, we cannot price this out. We have no price on it.

Mr. SPRINGER. Was that about what it was roughly?

Mr. SIEMILLER. One figure is as good as another. If it will help you any call it \$74 million.

Mr. SPRINGER. Now it is my understanding from the letter which the Secretary wrote us, and I will quote from it, and I would like to know whether that is true or not. Well, first this paragraph:

The tentative agreement reached on July 29 provides for a wage rate and fringe benefit increases valued in cost over a 3 year period contract of approximately \$74 million.

The Union now states its present position as being a return to its proposal of July 7. This involves wage and fringe increases with a value in cost over the three-year period of between \$100 and \$110 million.

Is that the position now?

Mr. SIEMILLER. Our position of the union, after the membership turned it down, we did revert to the July 7 position of the union as to what minimums it would take to settle the controversy. We feel that that is what it will take before the membership will ratify it.

Mr. SPRINGER. In other words, that is your position as of today?

Mr. SIEMILLER. That is the position.

Mr. SPRINGER. Between \$100 and \$110 million?

Mr. SIEMILLER. I am not buying the \$100 to \$110 million. There are too many variables, as I said yesterday, to it, the number of employees, the amount of overtime that they work, the amount of emergencies they run into.

Mr. SPRINGER. Let me ask you this: Would the Secretary be very far off in stating those figures?

Mr. SIEMILLER. I do not know whether he would or not. I think that has been the trouble all along in these negotiations. They have had a tendency to throw it into millions of dollars instead of cents per hour for employees and equity for the employees between the rates that they receive and other people. As we talk about millions, if it was \$110 million, say it was—

Mr. FRIEDEL. Will you yield for just one brief question?

Mr. SPRINGER. If I can clarify this and then I will, if I may. Now has there been any offer by management different from the \$74 million?

Mr. SIEMILLER. Not that we know of.

Mr. SPRINGER. All right. So really this is where you are today, then, is in this area as I take it between what was agreed on between you as the representative, I am not saying the unions but you as the representative and management was approximately \$75 million on July 29 and now to settle this, you are in a period of \$100 to \$110 million, and this is the area between the two figures of 74 to 110 where the dispute lies now, is that right? Is that about right?

Mr. SIEMILLER. That would be relatively correct.

Mr. SPRINGER. Thank you.

That is all, Mr. Chairman.

Mr. FRIEDEL. Mr. Chairman, just a brief question.

The CHAIRMAN. All right.

Mr. FRIEDEL. Mr. Siemiller, in answer to the question of Mr. Springer, you said you cannot price it out. You cannot come to a figure, but yesterday I thought you said that one of the objections in the turning down by this vote was that they had a provision in the January 1, 1966, to July 1967, and you thought if that would have been January 1, 1967, that would have been more acceptable. Was that offered in your deliberations?

Mr. SIEMILLER. It was not.

Mr. FRIEDEL. You did not even bring that up?

Mr. SIEMILLER. We talked about it.

When we met the carriers face to face, we told them that the increases before we could take it out, before our people would buy it, would have to run for yearly periods with the first period being retroactive to January 1, 1966, the next increase becoming effective January 1, 1967, the third one January 1, 1968, yearly period of 5 percent.

Mr. FRIEDEL. What would that run into in dollars and cents?

Mr. SIEMILLER. Based upon present employment that can be costed out. We would have the figures here. It would actually increase the mechanics' rate of pay over the 3-year period of 56 cents an hour, but if you are talking about the total cost in millions, I think maybe we have this figure or something pretty close to it.

Mr. FRIEDEL. Can you give a rough figure?

Mr. SIEMILLER. I am attempting to dig it out over here.

Mr. KEITH. Mr. Chairman, while he is looking for that figure, could you supply the parliamentary situation as to the amount of time we will have this morning?

The CHAIRMAN. I am going to start right now. I have allowed these two gentlemen on my left and right to ask these questions.

This morning, we will start our questioning by Mr. Satterfield, the gentleman from Georgia.

Mr. SIEMILLER. We have the figure. Might I allow Mr. Ramsey to answer? Would you mind?

The CHAIRMAN. That is fine.

Mr. RAMSEY. Mr. Chairman, the figures we had some time ago indicated on the cost of the hourly increase the first year would be approximately \$11,830,000; the total the second year, \$12,558,000, and at that time we were using a different percentage; so in the third year, it would have dropped back to \$10,425,000.

However, at the White House, it was improved to 5 percent for the third year, so no doubt it would run somewhere close to \$13 million for a total of about \$35,900,000.

The CHAIRMAN. Mr. Satterfield.

Mr. SATTERFIELD. Thank you, Mr. Chairman.

Mr. Siemiller, the figures you just gave us, they relate only to wage increase, hourly increase?

Mr. SIEMILLER. That is correct. That was the question that was asked and that was what we responded to.

Mr. SATTERFIELD. I wasn't clear in my own mind. Would there be in connection with this agreement additional costs on the basis of the items discussed?

Mr. SIEMILLER. Very much so.

Mr. SATTERFIELD. You do not have the figures for that, do you?

Mr. SIEMILLER. No; we do not. Some of those are intangible figures for the cost of hospitalization insurance. It depends upon the usage of it, what would finally be agreed upon in connection with payment toward pensions and such as that.

As I repeated so many times, there are variables that are hard to prize out, unless you prize out the total maximum possible amount that you could get involved in, but it never runs to that.

Mr. SATTERFIELD. Yesterday, sir, I think in answer to a question by the gentleman from Massachusetts, Mr. Keith, you explained a statement that you made on television. I would like to ask you about another statement that some people have attached a considerable amount of attention to, at least to what you may have intended.

I refer to your answer to a question from Senator Williams in the Senate dispute. If you may recall, you said:

Frankly, there is another thing, Senator Williams, which would be of concern to everybody. Every one of us is a human being. Every one of us has certain prejudices and feelings. You take 35,000 people and send them back to work against their will. What kind of performance are they going to give? This concerns me greatly. What kind of morale are we going to have in this very essential industry and essential work force?

I fly in these planes. I want to be just like the pilot on TWA, who wrote the President of TWA and said when he took off in his Grumman in World War II, he wanted to be sure that the guy who checked it out knew what he was doing.

He feels the same way when he takes over one of the TWA's planes. I feel the same way. I want to feel that the plane is airworthy.

There has been considerable comment among writers throughout the country who have interpreted these remarks to say that if the men in your union are forced to go back to work that their prejudice and feelings you referred to might be such that the aircraft may be unsafe to fly.

I wonder if you would like to comment on this, if this was your intention, or if you would like to clarify the statement a little bit to tell us just what you were talking about?

Mr. SIEMILLER. I was just making a statement of fact, as I understand, No. 1, human nature; No. 2, the feelings of the people; No. 3, the strain that these workers are going to be under. They are going to be feeling that the eyes of the world are upon them.

If their work is not absolutely perfect beyond a shadow of a doubt, when an accident does occur, and it will occur, in this industry, there is going to be a continuation of the accidents the same as the Braniff one.

I am going to urge our people, our members, to be very, very careful that every job that they perform is a perfect piece of workmanship. I am going to urge them not to sign off an airplane that has got any default in it whatsoever, and let management continue to sign it off with their supervisors when our workmen think it is unsafe, and put the responsibility right where it belongs.

Mr. SATTERFIELD. Then you were not implying that if your unions are ordered back to work that we might expect, because of the morale situation, that they would not perform as well as they have in the past?

Mr. SIEMILLER. They are going to perform better. They are not going to sabotage an airplane. They are not going to sabotage the public. They are a conscientious group of people, but they are going to protect themselves. They are going to do their work in my judgment better than it has ever been performed before.

Mr. SATTERFIELD. Thank you, Mr. Siemiller. I thought you might want to straighten that out.

Mr. SIEMILLER. Thank you.

Mr. SATTERFIELD. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Huot.

Mr. HUOT. Thank you, Mr. Chairman.

Mr. Siemiller, as you know, there has been criticism about the manner in which the announcement has been made as to whether the President should have made it or whether it should have been made at that time of a positive nature when the ratification had not been held.

Another criticism was that, possibly, because of the rapid exchange from that time until our membership was contacted, would you say that your membership was completely informed of the terms of the agreement?

Mr. SIEMILLER. Yes. I firmly believe that every individual was fully informed as to the terms of the agreement. Those that attended the meetings and voted had it fully explained to them. There may have been a slight bit of misapprehension when the President announced that the agreement reached in the White House was in the framework of the Emergency Board's report. I would say that it was an elastic framework.

Mr. HUOT. You also said yesterday that you now had, in Washington, members of your large locals here which would give you a sounding board. This is, I take it, is not a usual procedure that you normally have them for negotiations?

Mr. SIEMILLER. This is an unusual procedure. The news media which carried the story that the Secretary of Labor had brought these 12 presidents in, who are sitting right here in front of you, I brought them in and I didn't bring them in at anybody's request except my own. I asked them to come in, to be of assistance, to be of help.

They come from around the country, New York, Miami, Kansas City, Minneapolis, St. Louis—no, not St. Louis, but San Francisco, and cities of—Chicago, I almost forgot the world's greatest city.

So it would be a real cross section of fresh feeling from the field as to what the members are thinking. I brought them in for help, in an attempt to find an answer to this dispute that we have. They are here to assist their union in any way that they possibly can, and as you can take a look at them, it's a sampling of what the intellect and the type of people that are employed in this industry that we have.

I am very proud of them.

Mr. HUOT. In the voting of your membership, from that voting I would assume that you had the indication of the membership as to the items in which they disagreed, you have it by items.

Mr. SIEMILLER. Yes.

Mr. HUOT. Or major items, perhaps?

Mr. SIEMILLER. Yes. In fact, from these people here that we were just talking about, there were some differences of opinion on different

airlines and on different segments of the country or sections of the country. The people on the west coast, the wages are so out of line with what is being paid along the California coast, where there are two large contingents of these employees. They would rather have the entire package in money, as an example, and no fringes.

In other parts of the country, they do want the fringes. A balance across the group is that fringes are necessary and need to be in there. But there is a great amount of irritants in local rules on certain airlines.

We might say it would extend on pretty near all of them, the greatest irritants coming on TWA, United and Eastern.

Mr. HUOT. Because of the men that are here and voting, you are aware, and I think in answer to a question by Mr. Friedel, you said that this, the new proposal, or now that you know the items that the membership want or do not want, that this has not been presented to the carriers?

Mr. SIEMILLER. That it had not been?

Mr. HUOT. The new proposal had not been presented.

Mr. SIEMILLER. We had an opportunity to discuss this with the carriers yesterday. We were in negotiations with the carriers face to face yesterday. We had separate discussions at various times with Secretary Wirtz and Assistant Secretary Reynolds; and in addition to this, Secretary Wirtz, Assistant Secretary Reynolds had a session with these 12 presidents alone to where they could talk to them.

We just left them with them and said, "Here, you talk to them. They are yours. They will tell you like we have been telling you what the situation is in each part of the country."

Mr. SIEMILLER. I understand from the Secretary that he was real happy with that and it was somewhat productive.

Mr. HUOT. But not quite enough apparently.

Mr. SIEMILLER. It didn't convince the carriers that they should do one thing more than they had agreed to do at the White House or the Executive Office Building.

Mr. HUOT. You said yesterday that if this committee was to reject the proposal or the legislation that this could be settled rather quickly.

Mr. SIEMILLER. I am convinced of that, in fact I just know it is going to happen. I said the minute that Wayne Morse, who had been a long-time friend of mine, got up in the Senate, because his vanity was hurt, and started to talk about the nonacceptance of the Emergency Board report, that there was not going to be movement on the part of the carriers that would be satisfactory until it was determined there would be or would not be legislation. I believe it and feel it stronger today than I did at that time.

Mr. HUOT. When Secretary Wirtz was here, he indicated that if this legislation—you said that this legislation if it is not passed here that you could reach a settlement. However, Secretary Wirtz said that he felt, in answer to a question, that in these 180 days which this legislation sets out, and 30 days prior to the ending of the 180 days, a report has to be made. He felt that he thought an agreement could be reached in that time. Do you agree to that?

Mr. SIEMILLER. I do not share his feeling.

The CHAIRMAN. The time is up. Yesterday when you were requested to read the telegram sent to your membership, I thought you were going to insert that in the record. Did you do so?

Mr. SIEMILLER. No; I did not.

The CHAIRMAN. Would you do that for the record?

Mr. SIEMILLER. I would be happy to. Do you want me to read it for the record?

The CHAIRMAN. No; I don't believe so, if you will just put it in the record so that some members who looked for it this morning could find it.

(The telegram referred to follows:)

INTERNATIONAL ASSOCIATION OF MACHINISTS,
July 30, 1966.

Below settlement was concluded yesterday under the direction and supervision of the President of the United States. It is the unanimous consensus of your National Negotiating Committee that this package represents the best offer that could be secured. We strongly recommend that this settlement, which we value in excess of 70c per hour for the 3 year duration, be ratified. In summary the settlement is as follows: (1) Duration: 3 year agreement effective January 1, 1966. (2) Wages: 5% general wage increase effective January 1, 1966. (Full retroactivity for all time worked since January 1, 1966. 5% general wage increase effective July 1, 1967. Percentage increase to be computed on new rate. 5% general wage increase effective July 1, 1968. Percentage increase to be computed on new rate. For example, a mechanic presently receiving \$3.52 would receive a total increase of 56¢ per hour over the term of this agreement. (3) Holiday: One additional holiday (Good Friday) effective January 1, 1967. (4) Holiday overtime: Effective July 1, 1967, two-and-one-half times for all time worked on paid holidays. (5) Health and Welfare: Effective January 1, 1967, the Carriers who do not already pay for dependent health and welfare benefits will contribute 5c per hour not to exceed \$2.00 per week towards their respective programs. (6) Line Maintenance Premium: Effective July 1, 1967, 5c per hour premium to be paid mechanics and above performing line maintenance work. Since EAL already pays 3c they will be raised 2c establishing a uniform line premium. (7) Progression Steps: Effective January 1, 1967, the first progression step for all classifications is to be eliminated. Effective January 1, 1968, the rate just before the final progression step rate is to be eliminated. This also will apply to all classifications. (8) Vacation: Effective January 1, 1967, employees with 15 years of service will receive 4 weeks vacation with pay. Effective January 1, 1968, employees with 8 years of service will receive 3 weeks vacation with pay. Disposition of local issues to be wired you by your General Chairman. Ratification vote is to be held Sunday, July 31st. Results of vote should be wired or called in to Grand Lodge Headquarters, Phone (202) Adams 2-6309, no later than 6:00 p.m. your local time. Mail confirmation of vote required. In summary we believe this is to be the best settlement ever negotiated on the airlines. We are in full agreement with the remaining members of the committee in strongly urging your favorable acceptance of this package.

P. L. SIEMILLER,
International President.
J. W. RAMSEY,
General Vice President.

The CHAIRMAN. You made a statement there—and I would like to pursue this briefly for one second—that separate carriers want separate agreements. Would it be possible for you to reach separate agreements with separate carriers?

Mr. SIEMILLER. I don't know. I don't think so at the stage of the game we are in at this time.

Mr. DINGELL. Would the chairman yield? Are you speaking on behalf of the IAM as to reaching separate agreements with the different carriers? Mr. Chairman, if you would yield further.

Would you, speaking on behalf of the IAM, tell us whether or not you would be willing to reach separate agreements with the different carriers if you could resolve the issues of controversy in that way?

Mr. SIEMILLER. We are committed by a signed agreement with the five carriers that we will not settle separately, that all five will be settled together. This is a document that we signed in good faith. We would be compelled to live up to this in good faith.

We are not asking the carriers to break that document. That was signed on August 9, 1965.

Mr. DINGELL. I would like to pursue that question further at the appropriate time.

The CHAIRMAN. Mr. Devine.

Mr. SIEMILLER. Mr. Chairman, you asked for one of the telegrams to be inserted in the record.

The CHAIRMAN. Yes.

Mr. SIEMILLER. We have given it to you. I have an additional telegram that was sent out to all the full-time people that work for the international union, urging them to also see that it was ratified. May I insert this one along with the other one?

The CHAIRMAN. You may.

(The telegram referred to follows:)

(Straight Telegram—Book Message to 30 Addresses Previously Furnished)

JULY 30, 1966.

The package settlement proposed and accepted by unanimous action of the Negotiating Team including all General Chairmen should be supported by all representatives. It is the best possible that can be obtained under the circumstances and rejection will lead to immediate action by the Congress that will doubtless force our membership back to work under old rates and conditions for a period of six months.

You are requested to recommend and support the work of your General Chairmen and the Negotiating Team.

P. L. SIEMILLER,
International President.
JOSEPH W. RAMSEY,
General Vice President.

The CHAIRMAN. Mr. Devine.

Mr. DEVINE. Mr. Siemiller, I regret that I was unable to be here yesterday to hear your testimony. I was held up as a result of the airlines strike.

Mr. SIEMILLER. How about that.

Mr. DEVINE. The day before the actual strike on July 7, I believe the position of your organization was that your offer on the basis of 5 cents for 1966, 5 cents for 1967, and 4 cents for 1968—is that accurate?

Mr. SIEMILLER. It would be percent in place of cents.

Mr. DEVINE. Percent instead of cents.

Mr. SIEMILLER. Yes.

Mr. DEVINE. And then as of today, a month later, this is your position, 5 percent for sixty-six, 5 percent for sixty-seven, and 5 percent for sixty-eight, a 1-percent increase since a month ago, and coupled with that a cost-of-living clause plus an increase in pension benefits, neither of which were in the Emergency Board recommendations?

Mr. SIEMILLER. The 5 percent, 5 percent, and 4 percent on a 3-year agreement was based upon the necessity of having a cost-of-living escalator clause put into the agreement along with that.

Mr. DEVINE. Was that your position on July 7?

Mr. SIEMILLER. That was our position on July 7. When we later took the offer that was made out for ratification, there was 5 percent, 5 percent, and 5 percent, but not for yearly periods. The first 5 percent would run for 18 months, the next 5 percent for a period of a year, and the last 5 percent to trigger in at—

Mr. DEVINE. Forty-two months overall?

Mr. SIEMILLER. No; it was a 36-month agreement, but it would be for the last 6 months of the agreement. It was different from the Emergency Board report. In that there was no cost-of-living escalator clause involved in the offer that we took out to our membership. This is one of the things they say they must have. They are worried about the rapid rise in the cost of living.

Mr. DEVINE. Was the cost of living included in your original demands? The cost-of-living escalator?

Mr. SIEMILLER. The original demand was for a short-term agreement. When the carriers came back at us and wanted a 3-year agreement, we finally said, OK, but with a cost-of-living escalator clause, if it is going to run over a 3-year period.

Mr. DEVINE. One other thing you have repeated a number of times as I understand the Senate started hearings and the House has had legislation pending, that there can be no meaningful collective bargaining during the pendency of legislation. Is that still your position?

Mr. SIEMILLER. That is my position, more solid than ever.

Mr. DEVINE. Isn't it a fact that 1 year ago today you commenced this overall bargaining bit, August 9, 1965, in which you said you started the procedure of collective bargaining. What I am getting to is, you have been at this for a solid year. How much more time do you think we should sit back and do nothing waiting for you all to come to an agreement?

Mr. SIEMILLER. To August the 9th 1 year ago, is this the 9th? If it is, was the date that the agreement was entered into that there would be joint bargaining, and that the five air carriers would bargain jointly, and that we would ratify any agreement reached on a joint basis. That is true. As to how much time, the answer to your second question, I don't believe sincerely that there is any emergency existing in America today that would require the Senate and the House to pass a law to take away the right to strike from this group of workers.

Mr. DEVINE. Then this should just go on indefinitely in your opinion?

Mr. SIEMILLER. This will get a settlement, because we have had a strike for a month. As soon as the carriers know that this body is not going to bail them out and put their people back to work at the rates of pay that they were enjoying at the time of the strike, then they are going to come to the bargaining table and are going to settle. But as long as they think they have got an ally in the Congress, they are not going to realistically make an offer that will settle this agreement.

Mr. DEVINE. Mr. Siemiller, isn't that a two-edged sword? Maybe the union feels the same way.

Mr. SIEMILLER. I didn't get it because there was a cough. Would you repeat it, sir?

Mr. DEVINE. I say isn't that a two-edged sword? Maybe the other party may feel that they too will be bailed out.

Mr. SIEMILLER. No, sir. We are prepared to take it right down the line.

Mr. DEVINE. Indefinitely?

Mr. SIEMILLER. Let economics decide when either side has had enough and willing to settle.

Mr. FRIEDEL. The gentleman's time has expired. Mr. Williams of Mississippi, you have 5 minutes.

Mr. WILLIAMS. Thank you, Mr. Chairman. Mr. Siemiller, up to this point I have not looked on this legislation with a great deal of favor, for the reason that I felt that legislation was an implied request on the President to submit recommendations for compulsory arbitration at the end of this period of time if the strike has not been settled. On yesterday, in discussion section 4 of the bill, if I understood you correctly, you did not interpret that as a mandate to the President to submit a recommendation that would provide for compulsory arbitration of this dispute. Am I correct in that?

Mr. SIEMILLER. No; you are in error in that, Congressman.

Mr. WILLIAMS. With respect to your interpretation of it?

Mr. SIEMILLER. Yes. My interpretation is that this is an absolute necessity because of the last sentence in there:

Which will assist in the final settlement of this dispute in the public interest and without further interruption of the continuity of the transportation service by these carriers.

It says pure and simple to me compulsory arbitration, and disregard the interests of the carriers or the workers, and get whatever definition of the public that you might have, and settle it in the public interest. This is what the bill says.

Mr. WILLIAMS. Then as a matter of fact I misunderstood your interpretation.

Mr. SIEMILLER. Yes, sir.

Mr. WILLIAMS. And we are in agreement on it, is that right?

Mr. SIEMILLER. If what I just said is what you understand the bill to be, we are in 100 percent agreement.

Mr. WILLIAMS. That is exactly what I understand the bill to be.

Mr. SIEMILLER. That is what I understand it. We are in agreement.

Mr. WILLIAMS. You answered some questions yesterday and I think every point that could be covered probably has already been covered in the questioning, so I have but one further question. As I understand it the settlement or the agreement made at the White House provided a 4.3 overall increase in the cost of the carriers, isn't that right?

Mr. SIEMILLER. It has been costed that way. That figure has been used. It might be somewhere within the ball park.

Mr. WILLIAMS. All right, sir. Now original demands that were made by the IAM would have increased the cost by what percent? I am just trying to find out how far apart you are.

Mr. SIEMILLER. When we start talking—I am trying to answer your question, so it will be understandable. When we start talking about this percentage cost, what are we basing it on, the carriers existing cost? Are we basing it on the increased productivity per man-hour in this industry—which is fabulous—or not? Are we basing it on

the actual increase in rates of pay and other conditions of employment from what the workers are now getting? There are several figures you can use. And when you get to Gardner Ackley's figures, why you never know what basis they are coming from has been my experience.

Mr. WILLIAMS. You indicated that the 4.3 figure was somewhere in the ball park.

Mr. SIEMILLER. And then I came back and set on what set of figures. I don't really know.

Mr. WILLIAMS. Can you give me an estimate in response to the further question about the greatest demands made by the union that might be in the ball park?

Mr. SIEMILLER. It has been batted around, and we haven't put the figures together, but it has been batted around—

Mr. WILLIAMS. Would it be 5 percent, would it be 4.5 percent, would it be 8 percent, 6 percent? Would it be twice as much as the agreement called for?

Mr. SIEMILLER. I am going to try to give you a figure, but I won't vouch for its accuracy. I am making a guess now. I would say somewhere—

Mr. WILLIAMS. Keep it in the ball park.

Mr. SIEMILLER. Yes; somewhere in the vicinity of 6 percent.

Mr. FRIEDEL. The gentleman's time has expired.

Mr. WILLIAMS. Thank you, Mr. Chairman.

Mr. FRIEDEL. The gentleman from Michigan, Mr. Harvey.

Mr. HARVEY. Mr. Siemiller, does the union have set up any procedure for recognizing hardship on the public?

Mr. SIEMILLER. The procedures that we have set up are arrangements that were made with the Department of Labor and the Department of Defense for servicing of the movement of military.

Mr. HARVEY. I am not asking about the military. I am talking about the civilian personnel in the country.

Mr. SIEMILLER. We have made no arrangements with the carriers for the servicing of civilians, or what you would say, hardship cases. We have assisted many in getting reservations when they said they couldn't. We find out that it is easier to travel than some people think, if you have got the time to wait to get on a flight, or if you know the proper people to ask for a reservation. We have assisted many.

Mr. HARVEY. Let me state that the Detroit Free Press carried a story yesterday about a young man in his early twenties who has been unconscious since 1962 when he was involved in an automobile accident, and who was out in California for the purpose of neurosurgery but who could not get home because he could not get an airline reservation or could not be flown home. Finally a corporation, the Pacific Leader Jet Co. in Van Nuys, Calif., recognizing his plight flew him home, together with his parents. Now, don't you feel that both the union and management have a duty to the public to recognize cases such as this and to recognize that there are many other hardship cases that are being created as a result of this strike? Is this beyond your duty to the public, do you think?

Mr. SIEMILLER. We have taken care of many such cases. If that had been brought to our attention, and he couldn't have gotten on an airline to fly directly home, we would have chartered an airplane and flown him home, and there are plenty of them you can charter.

Mr. HARVEY. Let me ask you this. What about cases where there is a death in the family, for example, and someone has to get to some remote part of the country? My point is do you have any procedures set up for handling hardship cases like these?

Mr. SIEMILLER. The answer, Congressman, is no. There is no procedure set up. On cases that have come to our attention, we have arranged to do something.

Mr. HARVEY. Let me say this. Don't you—there is no procedure set up—don't you as an individual, as a union leader, feel it is your responsibility to the public to make such a procedure, to see that hardship cases of the public are taken care of in these circumstances? Isn't that your duty as well as management's duty to the public? That is why we are meeting here today, to talk about that duty.

Mr. SIEMILLER. Let's take another look at it. We don't manage the airlines. If the airline called us and said "We have got some emergencies, some hardships, we want to fly a plane," we will work it for free, if they will fly it for free, and we will work it anyhow.

Mr. HARVEY. But you recognize certainly a responsibility with management to share that duty to the public, don't you?

Mr. SIEMILLER. We are willing to.

Mr. HARVEY. But thus far nothing has been done. No procedure has been set up as far as you know.

Mr. SIEMILLER. You are talking to the wrong people. We don't manage these airlines.

Mr. HARVEY. No; I am not talking to the wrong people, because you keep those airlines flying just like management does and it is a two-way street here. I think you both have responsibility.

Mr. SIEMILLER. Well thank you, but then I would say—

Mr. FRIEDEL. Will the gentleman yield?

Mr. HARVEY. I yield; yes, sir.

Mr. FRIEDEL. Can the airlines fly anybody free?

Mr. SIEMILLER. Can they?

Mr. FRIEDEL. Yes. Are they permitted under the CAB or FAA laws?

Mr. SIEMILLER. I don't know. I don't think so.

Mr. FRIEDEL. I think there is a restriction on flying them free.

Mr. SIEMILLER. It could very well be.

Mr. HARVEY. If I could ask one other question, has the unions in your discussions, either among yourselves or with management, given any thought to flying home those either 6 or 6,000 people who are stranded overseas?

Mr. SIEMILLER. All we have got to do, there are plenty of flights coming from overseas on the foreign carriers, all you have got to do is to relax the number of flights they can bring in and you can get them home in no time. This is the biggest bunch of baloney that every existed.

Mr. HARVEY. Have you concerned yourself with that? Have you sat down and made an effort to get these people home who are stranded overseas?

Mr. SIEMILLER. No; I have made no effort to get them home.

Mr. HARVEY. You haven't concerned yourself one bit with those people overseas, have you? Answer me. Have you discussed this in your union councils, how to get these people home?

Mr. SIEMILLER. No, we have not, because this is—

Mr. HARVEY. Have you sat down with management and asked how you can get those people home?

Mr. SIEMILLER. I would suggest—no, we haven't. You are talking to the wrong people again. Talk to—

Mr. HARVEY. You feel you have no responsibility to those people overseas; is that correct?

Mr. SIEMILLER. We do not control the number of flights that a foreign carrier can bring into this country. You talk to the Government agencies and they can relax the flights and get them home before Saturday. The foreign carriers have got plenty of space.

Mr. HARVEY. You can put your statement in in a few minutes. You just answer my question. I only have a very few.

Mr. PAPP. Mr. Chairman, may I object?

Mr. HARVEY. What you are saying is that you have no responsibility as far as you are concerned to help those people who are stranded over in Europe or wherever else they may be; am I correct?

Mr. SIEMILLER. That is your statement, not mine.

Mr. HARVEY. What is your responsibility and what have you done about it?

Mr. SIEMILLER. Our responsibility is to negotiate an agreement as much as we can with these carriers to get the responsibility to agree to help in case of an emergency where the carriers bring it up or somebody brings it to our attention. It is not our responsibility to go to the FAA or the CAB.

Mr. HARVEY. You have not said anything at all about these people I am talking about overseas. So far, you have ignored them; is that correct?

Mr. PAPP. Mr. Chairman, may I object to this line of questioning as badgering Mr. Siemiller, please, sir?

Mr. HARVEY. I would like an answer to my question.

Mr. SIEMILLER. I have not done one thing, as the president of this union, to relieve, to take over the responsibility of other departments of Government that regulate the number of flights coming to the United States, that would relieve the congestion of Americans in Europe. It is not my responsibility. We have competent and able people to do that.

Mr. HARVEY. Let me say that I think a good many American people differ as to whose responsibility it is. They don't care whether it is management's or whether it is your responsibility, but they are getting a little tired of the present situation and they feel that some effort should be made to help these stranded people, and the other hardship cases in this country.

Mr. SIEMILLER. That should be good propaganda when you run for reelection.

The CHAIRMAN. We don't want any demonstrations in the room.

Mr. PICKLE.

Mr. PICKLE. Mr. Siemiller, you said a few minutes earlier the only reason Senator Morse urged this legislation was because his vanity was hurt. Are the majority of the Senators who voted to pass this

resolution—are you saying that the U.S. Senate acted from a purely vanity standpoint?

Mr. SIEMILLER. No, sir, I did not. I said when Senator Morse got up and talked about it, but I am really rather disturbed when the junior Senator from the State of Illinois get up and publicly admits to the Senate that he told an untruth, that he had made a statement but it wasn't true. I am concerned when Senator Morse comes in indicating that he just received a telephone call from the Secretary of Labor when the Secretary is forced to publicly deny any such call. I am concerned.

Mr. PICKLE. I am concerned when you said the U.S. Senate, though by implication, acted from a sense of vanity.

Mr. SIEMILLER. I didn't say that, sir. I am restricting the vanity to Senator Wayne Morse.

Mr. PICKLE. Then we understand each other.

Now, I want to go to section IV for just a minute.

Mr. SIEMILLER. Fine.

Mr. PICKLE. You said that this does not mean compulsory arbitration, and you point out on lines 14 through 17 of the act those words which you think are the same thing as compulsory arbitration.

Now, Secretary Wirtz testified before this committee last week that this does not mean compulsory arbitration.

What is your reaction to that?

Mr. SIEMILLER. Secretary Wirtz is a very learned man, but the school I went to, which was down in Florida, they didn't teach the English language to mean anything else but compulsory arbitration when you put it here.

Mr. PICKLE. Then there is a difference of agreement between you and the Secretary of Labor as to how this would read. In both instances, would you agree that further congressional action would have to take place at some point before we could have any semblance of compulsory arbitration?

Mr. SIEMILLER. Yes, sir.

Mr. PICKLE. All right, we are in agreement on that.

Now, I want to skip to section VIII for just a minute. This gets to the heart of what is involved. Whatever is worked out on the strike, eventually, like all things, it will come to pass.

Mr. SIEMILLER. That is right, Congressman.

Mr. PICKLE. You will find a solution in some form or another.

Mr. SIEMILLER. We must.

Mr. PICKLE. And I hope soon.

Now, we get to section VIII. This is where we are directing, the Congress is directing, the Secretary and the President to make recommendations to improve our situation. I asked Secretary Wirtz Saturday if he thought this was in effect the intent of Congress, that we are admitting our weaknesses in this field and that we have got to make improvement, and that we perhaps ought to have recommendations that would improve that, and I want to read this language to you. These are my words:

It seems to me that this is the intent of Congress, that is, we are seeing here that there is an area that must be established in between collective bargaining and compulsory arbitration when it affects the national interests.

Secretary WIRTZ. I think that is exactly what this implies, and what the Congress and the country are looking for, exactly.

Now, it seems to me then if we reach the point, and the Secretary of Labor admits publicly that we have got to find an area somewhere in this country somewhere in between collective bargaining and compulsory arbitration, this means a form of labor court or some kind of mediation board with authority, whether you call it compulsory arbitration or whether management does.

Now, what is your feeling on this matter?

Mr. SIEMILLER. I would note first that you used the words "national emergency."

Mr. PICKLE. "National interest."

Mr. SIEMILLER. I don't know how you define "national interest." I really don't know how you define "national emergency." Most laws are rather loosely written with words that can be defined in any way, but I will speak to the subject that you have.

Mr. PICKLE. Yes. If we had time, I would like to hear your Florida school of interpretation, but we do not have that time, so let's forgo that.

Mr. SIEMILLER. What this would provide would be some method of compulsory settlement of a dispute at some point, and, of course, until it is hammered out into a law, at what point would then be determined. It would mean, in my judgment, that in certain industries or in certain situations that there would have to be a terminal point decided either by the Congress, by some court, or by some board of arbitrators that might be set up, and that it would have to be final and binding.

Any way that you take it, it would be a step in taking freedom away from management and labor to let the economic impact settle a dispute.

Mr. PICKLE. Am I to interpret what you said as that you do not want anything established in between collective bargaining and compulsory arbitration?

Mr. SIEMILLER. You are correct, Congressman. I do not want anything established.

Mr. PICKLE. You do not want it and I don't know that this committee or the Congress wants it, but when we are faced with a situation with two groups like you and the management of the five airlines will not budge an inch, then I say that the national interest is involved, and that this committee and this Congress is going to take action.

Now, I will just comment further. It seems to me that you are saying, as you have over and over, that you are not going to have any meaningful negotiation as long as there is a threat of congressional action hanging over you.

Mr. SIEMILLER. That is right.

Mr. PICKLE. And you are saying, in effect, to this committee and to this Congress that "We dare you to act."

Mr. SIEMILLER. Oh, no; I am not.

Mr. PICKLE. Under these circumstances, and perhaps management is saying the same thing, but before the American people, you—the two groups—are just saying that you dare us to act while we are trying to consider this problem. And I will tell you if you do not act, we are going to accept your dare.

Mr. SIEMILLER. Let me tell you, Congressman, to start with, we are not issuing any dare, and I would respectfully suggest that man-

agement does not want to issue a dare. We are not daring the Congress.

Mr. PICKLE. Then what are you doing?

Mr. SIEMILLER. We are telling the Congress if you do this, in our judgment, you make a mistake. You are taking freedom away from a segment of our society. You are taking freedom away from workers. You are taking freedom away from management actually that you have. You are taking the first step toward a dictatorship in America.

Mr. PICKLE. Yes, we are changing some of the procedures we have used in the past that we would all like to see maintained, but in the absence of any meaningful progress, this Congress and the American people are going to expect action.

That is all, Mr. Chairman.

The CHAIRMAN. Mr. Broyhill.

Mr. BROYHILL. Thank you, Mr. Chairman. I don't have any questions at this time. I think that the various aspects of this dispute have been covered and I certainly think that we, if the thing continues, are going to have to do something if there isn't a voluntary settlement.

The CHAIRMAN. The gentleman from Georgia, Mr. Mackay.

Mr. MACKAY. Thank you, Mr. Chairman.

Mr. Siemiller, I, too, was grounded in Atlanta yesterday because the carrier didn't have a flight to get me here in time to hear your testimony. It was not operating. I regret that.

I have read your testimony and I do have a rather novel situation in that I come from a key transportation point at which your union, after being aware of the trend in the national voting, voted 3 to 1 to take what they could get and go back to work. That is the Atlanta vote. That is correct, isn't it?

Mr. SIEMILLER. I don't think so.

Mr. MACKAY. That was reported in the press.

Mr. SIEMILLER. I will give you the result of the Atlanta vote if you will let me. You are relatively correct.

Mr. MACKAY. I want to be right.

Mr. SIEMILLER. I don't know about 3 to 1. I will give you the figure on that that we happen to have. It is 440 to 123.

Mr. MACKAY. What was that again?

Mr. SIEMILLER. 440 to 123.

Mr. MACKAY. I am a freshman Congressman and I am trying to learn to think in terms of the Nation as a whole, but I must confess with an election coming up, I cannot think much larger than just one congressional district.

Mr. SIEMILLER. I can certainly understand that.

Mr. MACKAY. I have listened to Secretary Wirtz say there is no national emergency, but we relate to people just as individuals, and I look at this strike in my area and I see first the people that are directly involved in the matter being fully apprised of the issues and the national leadership coming in and recommending that they accept this contract, and voting that overwhelmingly, and that is one side of the picture that I see in my own area.

The second one is that not from the coast, who do seem to be making pretty good money now, but from the manufacturers' representatives

and the small businessmen that rely very heavily on air transportation, they don't accept the word "inconvenience" to describe what is happening to them personally.

They are wiring me and writing me and describing it in terms of personal disaster, and this is bad news to hear from a constituent, because we want our constituents to be happy.

I just simply report that, this idea that this thing isn't cutting deep, does not ring very well in the mind of a guy who is really being stopped in his tracks in his particular business, and this causes me genuine concern.

Mr. SIEMILLER. I would say that to the individual that misses his flight, it is an emergency, to the individual, and when we say it is not a national emergency, we take in the United States as a whole. But to the individual or to the group of individuals that it is a hardship, it costs them money.

In fact, we are getting some suits in court today, suing us because we have, what they said, created a situation that costs them money.

Mr. MACKAY. I would like to go on with that point to say that in my area, I find people who believe in the right to strike, that there is an essential freedom here that has to be balanced against some other essential freedoms. But the thing that is bothering me about this situation is this unique situation in which the workers say "we want to take this contract and go back to work," plus the public inconvenience, and the personal disaster feature of this thing.

I am wondering if you have any thought that we might lessen the type of result that has occurred here, by getting away from the industrywide bargaining. Does this essentially weaken labor's hand, to deal with each carrier as, say, the airline pilots do?

Mr. SIEMILLER. I don't really know the answer to that. That is something that has been running through our minds, too. Is this a good move or was it a bad move? So far it has not brought agreements that we would have.

I should tell you that in speaking of Atlanta, you are speaking mostly of Eastern's employees. The bulk of Eastern's employees are in Miami, the overhaul base, and it was about 3-to-1 against accepting the agreement. So one city balances off another. I know that does not help you in your congressional district, what they do in Miami.

Mr. MACKAY. What I am suggesting is that either through voluntary arrangements or through legislation, it seems to me that if you move in the direction of collective bargaining indeed, but not industry or nationwide bargaining, because it seems to me that everybody is about to go nuts listening to economists argue about what the national picture is, but the worker in his local situation can grasp what his situation is in relation to his carrier, plus the fact that it seems to me that if you deal with your own carrier, you put labor in a competitive position where there is incentive on the part of management to treat their people well, to keep them there and to recruit other people.

But I am just talking out loud about my problem, and our situation there, and I hope that your union can help suggest ways that we can balance these two rights, because I have not heard anybody talk about union busting or anything of the kind.

I am getting tearstained messages from people that simply want to have reliable transportation service to carry on their life, and I would welcome any thoughts that you might have.

I think you have said and everybody has said that the issues here far transcend this particular controversy. You would agree to that, wouldn't you?

Mr. SIEMILLER. I think that is right; yes.

Mr. MACKAY. I mean, the issue confronting Congress.

Mr. SIEMILLER. Yes.

Mr. MACKAY. Thank you.

Mr. SIEMILLER. Let me add, too, you brought up Atlanta, the Atlanta vote; it did not carry on any of the five carriers, a majority vote to accept.

Mr. MACKAY. Well, again a Congressman looks at his constituents, and not only that, these collateral employees—I talked to an Eastern pilot in Miami, just a fellow that I knew, and tears were coming through the telephone because he is off work without the high income that he is accustomed to, and I think we need your help in achieving a balance. We have got an imbalance now, and we are looking for a balance, and I hope we can find that, that will be compatible with the interests that are involved.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Watson.

Mr. WATSON. Thank you, Mr. Chairman.

Of course, we are all disturbed that this matter is apparently no nearer a resolution today than it was yesterday. Are the issues primarily national or are they local issues that are keeping you apart at this point?

Mr. SIEMILLER. Not necessarily. It is the total issues. Local issues will have to be fixed on some airlines. They are a big problem on United. They are a big problem on TWA, a problem on Eastern, a smaller one on Northwest. But the big problem is the eight national issues. I believe the local issues can be straightened out. But there doesn't seem to be much incentive to straighten them out until we get the eight national issues straightened out.

Mr. WATSON. I see. Well, now, of course, you at one time reached an agreement, did you not?

Mr. SIEMILLER. The answer is yes, we reached agreement among the negotiators. We felt, I felt, I speak for myself, that they had—

Mr. WATSON. Obviously you had the confidence of the membership because you are the president, are you not?

Mr. SIEMILLER. Well, they elected me.

Mr. WATSON. Yes, sir.

Mr. SIEMILLER. In fact, I did not have any opposition. They did not nominate anybody against me.

Mr. WATSON. That is even more of a compliment to you, that you were elected without opposition. Now go ahead. I did not mean to interrupt you.

Mr. SIEMILLER. I felt that there was the bare ingredients in the offer, the number of different things that our membership would probably accept. It was the best that was forthcoming. We were being criticized heavily by some people in the press and by some management, because we had never submitted anything to our members for

a vote, including the Emergency Board report. The offer was much better than the Emergency Board report. So we felt that we were dutybound to take that to the membership, and I went all out and so did the rest of the negotiating committee, in recommending, which you will see by the telegrams that were put in here as an exhibit.

We were also trying to do this in a hurry. We wanted, if we had an agreement, to get it over as fast as possible. So we used telegrams, we sent it out, we got our people out to the locations that had the actual knowledge of what had taken place. They were there to explain it. We did every conceivable thing I think that we could to convince the membership to accept. They did not agree with us, which they have a perfect right to disagree.

Mr. WATSON. I see. You do not think that it would expedite settlement if you were to look at this and try to settle the national issues and then resolve the local issues on an individual airline basis?

Mr. SIEMILLER. We had to either sign off, accept what we had—all local issues would have been finished if they had bought the package that went out to the people. We just forgot some of them, said OK, we will withdraw them for the purpose of this. And if they would have voted yes, we would have had a total agreement on the five carriers.

Mr. WATSON. Now one thing that disturbs me, I am sure the membership has confidence in you and I have observed you and Mr. Ramsey who I believe is your vice president—

Mr. SIEMILLER. He is.

Mr. WATSON (continuing). And I am convinced that both of you are very able negotiators.

Mr. SIEMILLER. Thank you.

Mr. WATSON. And it disturbs me now should you reach an agreement as to whether or not it would be accepted. Now is there any failure of confidence on the part of the membership in their present negotiators? Would it possibly help to bring in some additional negotiators?

Mr. SIEMILLER. To answer your question, I would sound very vain. I am convinced that if you would see the telegrams and letters that come in, that they do have full confidence in their negotiating team, but as I told this committee earlier in order to have better contact and soundingboards, from the feelings of our local people, you have sitting in this room the presidents of the 12 largest local unions in this dispute.

Mr. WATSON. I am very hopeful the fact that you brought them in would bring this matter to a quicker resolution. I hope that you will keep them around a few days and still try to resolve it.

Let me ask you this: How much money are the members of the Machinists Union losing each day so long as this strike continues?

Mr. SIEMILLER. There has been published statements of wage loss. I do not have it real handy, but you could take 35,000 people at \$3.25 an hour average and get it.

Mr. WATSON. That is what they are losing each day. I am sure the union provides them with some minimum monetary consideration.

Mr. SIEMILLER. Our union pays strike benefits of \$25 a week.

Mr. WATSON. \$25?

Mr. SIEMILLER. \$25 is all. It is no stimulus to continue the strike because they are getting large strike benefits. It will hardly buy meager groceries for a family.

Mr. WATSON. Of course, you do not have an idea as to how much the loss is of the other 40,000 to 50,000 affected workers of the industry?

Mr. SIEMILLER. No. The other air transport employees, the pilots, the stewardesses, the clerks, the people that have respected the picket line, the people that have been laid off by the carriers are not drawing strike benefits. They may in some cases draw unemployment insurance. If it was in the railroad industry they would all be drawing unemployment insurance, but not in the air transport industry.

Mr. WATSON. One disturbing factor, if you ultimately get your \$80 or \$90 million package, but you will never be able to recover over the next 3 years the wages you have lost over the past 30 to 35 days.

Mr. SIEMILLER. That is a matter of simple economics, and you are quite right. The increases that are involved in the package in the next 3 years would not make up the wage loss. They would have to work an awful lot of overtime to come out even.

Mr. WATSON. They surely would.

Mr. SIEMILLER. There is a lot of overtime in this industry though.

Mr. WATSON. All of their payments continue, their monthly responsibilities for the home and all of that, they continue while they are on strike.

Mr. SIEMILLER. I think they do as good Americans. I believe they take care of their responsibilities to their homes. They pay their taxes, act just like you and I.

Mr. WATSON. Yes. One final question. Do you think that collective bargaining has been successful when the only way you can bring about a resolution of the conflict between management and labor is through a protracted strike which virtually is nothing but economic starvation, for both you, labor, and management?

Mr. SIEMILLER. The answer to that is we get a few aggravated cases that get us in the category that you are speaking of.

Mr. WATSON. Yes, sir.

Mr. SIEMILLER. The great majority of cases in collective bargaining don't go this route. In my original statement yesterday, I pointed out that our union has 8,000 agreements with 16,000 employers scattered over to what you would call 250 different industry groups. It is a broad union: 98 percent-plus of all agreements are negotiated without any work stoppage whatsoever. So collective bargaining on the whole does work, and really works well in America, but when you get a case like this, it directs and focuses all attention on it, and the inclination is to say it has failed. I say it has not failed.

Mr. WATSON. I see. But you do not see as I recall from your earlier testimony, any possibilities of resolving this issue so long as this matter continues before Congress?

Mr. SIEMILLER. That is correct.

Mr. WATSON. Well, now, let me make just this one observation. I am sure my time is up. This has disturbed me, the comment that has been made by you and the Secretary, that he does not feel, does not believe that there is any inclination on the part of the negotiators to try to resolve this issue so long as it is before Congress. Let's turn the coin over.

If I really believed in collective bargaining, and I knew that Congress was going to act upon this in the interests of the American people, or that there was a very good likelihood, then I believe the fact that that sword was hanging over my head would encourage me, Mr. Siemiller, to make the extra effort, in order to try to resolve the issue, and I am disturbed that apparently these gentlemen from your 10 locals have apparently come up here and convinced you that the early agreement that you reached was totally wrong, because according to news reports, you are back where you were on July 7, and you were a lot closer to resolution subsequent to that time.

Mr. SIEMILLER. Collective bargaining is a two-sided deal. It takes two to tango in this as well as in anything else. There are 35,400 people, the majority of which has to be satisfied. It is America, it is democracy at work. I myself would do almost anything to keep this Congress from acting and imposing legislation. I must tell you that these workers, unless they get what they believe they are entitled to and what they consider a fair share of the fabulous profits of these companies, they are prepared to take anything that you give them and carry the fight on every avenue that they can. They will continue at work. They will continue politically. They will continue doing everything that they can do to present their side and to see the change come that they think is right, and I think that is OK. I think that is America.

Mr. WATSON. I share the feeling of the other Members of Congress. We believe in collective bargaining, but right now I am apprehensive as to whether or not the negotiators believe in it as much as we do.

Mr. SIEMILLER. Thank you, Congressman.

The CHAIRMAN. The Chair would like to make an announcement. In response to a request by the committee for information on productivity of airline employees, I have a letter from Secretary Wirtz including this information which I would like to put into the record at this point.

(The information follows:)

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., August 8, 1966.

HON. HARLEY STAGGERS,
Chairman, Interstate and Foreign Commerce Committee,
House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: In response to the request of your Committee for information on productivity of airlines employees, I am enclosing a summary of the latest information collected by the Bureau of Labor Statistics relating to output per employee in the air transportation industry.

You will note that this index covers all employees of the industry. Separate breakdowns for the classifications of employees involved in the current dispute are not available.

Sincerely,

W. WILLARD WIRTZ,
Secretary of Labor.

AIR TRANSPORTATION INDUSTRY

TRENDS IN OUTPUT PER EMPLOYEE, 1947-64

Output per employee in the air transportation industry more than quadrupled from 1947 to 1964, increasing at an average rate of 7.8 percent per year.⁵ This dynamic performance in an industry where employment has about doubled since

⁵ All average annual rates of changes are based on the linear least squares trends of the logarithms of the index numbers.

1947, indicates the great capacity of the industry, generated by vast sums of capital investment and technological developments, and the greater demand for both passenger and cargo services. Demand, in turn, is a reflection of increased public acceptance and the quality of service and equipment provided by the industry, as well as general economic prosperity and such incentives as promotional fares.

Year-to-year increases in output per employee ranged from 16.5 percent (1949-50) to less than 1 percent (1959-60). In general, output per employee increased very rapidly from 1947 to 1955 (more than 11 percent per year), more slowly from 1955 to 1961 (averaging about 4 percent), then accelerated to more than 10 percent per year beginning in 1962.

In many industries, annual percent changes in productivity are closely related to percent changes in output, but this relationship has been less pronounced for the air transportation industry. Rather, the rate of increase in output per employee has generally been highest when employment declined or increased moderately. The rate of productivity gain has fallen when employment increases were large, as in 1952, 1956, and 1957 or when output increases were small as in 1958 and 1960. Productivity, output, and employment have all been expanding in the past few years.

Output increased more than 700 percent from 1947 to 1964, at an average annual rate of 13.3 percent. Since 1957, output has about doubled, and since 1962 the rate of growth has been accelerated. Increased capacity and greater demand for both passenger and cargo service have resulted in recent growth rates which are similar to those of the 1950's. In domestic operations, cargo ton-miles have been increasing even faster than passenger-miles, and the need for jet cargo aircraft has been recognized. International traffic trends have been even more favorable than domestic; international passenger-miles have shown the largest rate of growth in the last few years.

In contrast to the 700-percent increase in output, employment in the air transportation industry has about doubled since 1947, increasing at an average annual rate of 5.2 percent. This reflects the increased capacity and technology of the industry, which has permitted an expansion in output without proportionate increases in employment.

As the industry adjusts to the jet age, there are some important occupational shifts. Overall, the increase of flight personnel has been about average for the industry in recent years, but navigators in transoceanic flights and flight engineers on all jets are being eliminated. The number of mechanics has increased at less than the average rate of all employees since 1957, but aircraft and traffic servicing personnel have increased at much more than the average rate, indicative of the increasing quality of air transportation equipment and service.⁹

DEFINITION OF THE INDUSTRY

This report covers Air Transportation, Certificated Carriers, defined in the 1957 *Standard Industrial Classification Manual* (prepared by the U.S. Bureau of the Budget) as "Companies holding certificates of public convenience and necessity under the Civil Aeronautics Act, operating over fixed routes on fixed schedules, or in the case of certificated Alaskan carriers over fixed or irregular routes. These companies may be primarily engaged in the transportation of revenue passengers or in the transportation of cargo or freight" (SIC 451). This includes the domestic trunk, local service, helicopter, intra-Alaska, intra-Hawaii, international/territorial, and all-cargo carriers. Certificated carriers are often referred to as "scheduled airlines," although they also perform nonscheduled service.

Supplemental air carriers are not included in this industry. These are a group of carriers holding interim certificates, issued by the Civil Aeronautics Board (CAB), authorizing them to perform passenger and cargo charter services supplementing the scheduled service of the certificated route air carriers. Supplemental carriers are often referred to as "nonskeds," i.e., nonscheduled carriers.

⁹ See *FAA Statistical Handbook of Aviation*, 1965 edition, Federal Aviation Agency, September 1965.

AIR TRANSPORTATION INDUSTRY

Output per employee, unit labor requirements, output and employment, 1947-64

Year	Output per employee	Employees per unit of output	Output	Employment
	Indexes			
1947	37.4	267.4	22.7	60.7
1948	41.6	240.4	23.5	56.5
1949	47.8	209.1	26.4	55.2
1950	55.7	179.6	31.4	56.4
1951	64.0	156.3	39.8	62.2
1952	66.5	150.4	46.4	69.8
1953	71.8	139.3	53.5	74.5
1954	79.5	125.8	60.4	76.0
1955	89.5	111.7	71.9	80.3
1956	92.0	108.7	83.1	90.3
1957	95.1	105.2	94.1	99.0
1958	98.5	101.6	95.6	97.1
1959	106.2	94.2	110.3	103.9
1960	107.1	93.4	117.3	109.5
1961	113.4	88.2	124.1	109.4
1962	126.2	79.2	140.2	111.1
1963	139.4	71.7	158.8	113.9
1964	153.4	65.2	185.0	120.6
Average annual rates				
1947-64	7.8	-7.2	13.3	5.2
1957-64	7.0	-6.5	10.1	2.9
Preliminary indexes for 1965				
1965	172.0	58.1	224.6	130.6
Average annual rates				
1947-65	7.8	-7.3	13.4	5.1
1957-65	7.6	-7.1	11.2	3.3

Source: Based on data from the Civil Aeronautics Board.

Service groups and weights used in the output index

Type of operation	Average 1957-59 unit revenue weights per—		
	Revenue passenger- mile	Freight, ex- press, and U.S. mail ton-mile	Freight, ex- press, U.S. and foreign mail ton-mile
Domestic passenger cargo	\$0.0562	\$0.2616	
International territorial passenger cargo	.0643		\$0.3325
Domestic all cargo	¹ .0281	.1767	
International territorial all cargo	¹ .0322		.2620

¹ Weights are for charter passenger services of the certificated all-cargo carriers.

Source: "Handbook of Airline Statistics," 1963 edition, Civil Aeronautics Board, April 1964.

The CHAIRMAN. I would also like to make another announcement that the Chair and certain other members of this committee must leave to appear before the Rules Committee on Highway Safety and I and the others will be back and the hearings will continue.

Mr. Gilligan will be the next questioner and I turn this over to Mr. Friedel.

Mr. WILLIAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Mr. Williams.

Mr. WILLIAMS. Do you expect to be back before noon?

The CHAIRMAN. Yes, I do.

Mr. WILLIAMS. According to the news you indicated apparently to the press that you intended to wind these hearings up this evening or tonight if at all possible. Is it your plan to call the committee together after the House adjourns?

The CHAIRMAN. I might say this: That since yesterday things have changed because I have every indication that the House will be in session until late tonight, and if this is true, this committee will not be able to meet tonight, because we have on the floor a very important bill, and I am sure that I could never get unanimous consent for this committee to sit at that time.

Mr. WILLIAMS. Mr. Chairman, you may be assured of that.

The CHAIRMAN. I intended to make the announcement, but I will be back, and if I am not back, Mr. Friedel will make that announcement, and the time we meet in the morning will be 9 o'clock to continue again, if we cannot meet tonight. With those words, I will turn this over to Mr. Friedel.

Mr. FRIEDEL. I would like to add that I hope management and labor will come to an agreement before we meet tomorrow morning at 9 o'clock. Mr. Gilligan.

Mr. GILLIGAN. Thank you, Mr. Chairman.

Mr. Siemiller, this is a question which I perhaps should address to the management representatives rather than to you, but I would like to get your opinion of it. I will ask it of them later.

You have made repeated references to the fabulous profits in the last couple of years in the air transport industry. Have you any figures on those profits, 1965 over 1964, or 1964 over the previous year, that could be reduced to percentages?

Mr. SIEMILLER. Yes.

Mr. GILLIGAN. The percentage increase.

Mr. SIEMILLER. I have in front of me an exhibit that was used in the emergency board hearings. It is taken from the July 15 issue of Fortune magazine, when it lists the 50 largest transportation companies. I understand it was not in the emergency board proceedings, I am in error on that, but the exhibit is here. We have the figures on this.

United Air Lines for the period of 1964-65 made 16 percent on invested capital. Trans-World Airline made 21.4 percent on invested capital. Eastern Airlines made 24.1 percent on invested capital. Northwest Airlines made 27.7 percent on invested capital, and National Airlines made 28.1 percent on invested capital. This is profit.

Mr. GILLIGAN. Do you have in front of you or do you have knowledge of what the figures were in the previous year?

Mr. SIEMILLER. Yes, we have it over previous years that we have. The previous years, some of them, they haven't been near that good. Airlines were built in America by two subsidies, one by the Federal Government, to get them started, the other was by their employees

working for lesser rates of pay than they would have had in other industries. The time has come in our judgment to equal up.

Mr. GILLIGAN. The reason I have asked this question is that these guidelines that have been under discussion in the committee hearings here and in other places around the country supposedly apply to both profits and wages, and I am leading to the question, in your opinion, do you think the carriers would prefer to share their profits with their employees by granting a larger wage package, or to share them with the riding public by accepting an across-the-board fare decrease as ordered by CAB?

Mr. SIEMILLER. I do not think it would be fair for me to give you an opinion of what I think the carriers think on this subject. They are going to be here. Why don't you ask them?

Mr. GILLIGAN. All right, sir, I will ask them.

Mr. SIEMILLER. The profits furnished, the figure furnished for this year, shows that for January through May again over January through May of 1965 shows United with 95.3 increase over that period, Northwest 55 percent, National 31.9, Trans World 12.5, and Eastern 7.4, an increase over the figures that I read.

Mr. GILLIGAN. Thank you, Mr. Siemiller.

Mr. SIEMILLER. Just a minute.

Mr. FRIEDEL. Next will be Mr. Farnsley.

Mr. SIEMILLER. I am in error. Could I correct an error? It shows a minus of 7.4 on Eastern.

Mr. FARNSLEY. Thank you, Mr. Chairman.

Mr. Siemiller, I am sure your people read Fortune. I show you the Wall Street Journal and recommend it to you because your cousins in New York, the Herald Tribune—I use the Wall Street Journal to maintain a slender hold on reality. This morning the Wall Street Journal said that secondary lines were doing all right but not as good as the major lines. He has covered that so I do not have to ask you that. In Kentucky we have a funny old-fashioned scheme that if you are kind of a natural monopoly, then we say you can only make I think it is 6 percent, and then maybe you divide the rest of it up with your employees and with the public, that is me, you see, I ride Eastern. Is there any chance I could work out an arrangement with you, I am doing it publicly, that what we try to do is divide up this extra profit between me as a consumer and your people as employees?

Mr. SIEMILLER. What we are asking for will allow both. It has already been stated by the governmental regulating agency, because of the heavy investment necessary for the airlines in equipment, they should have 10.5

Mr. FARNSLEY. But they are doing better than that. They do not force them to stay at the 10.5; is that it?

I ought to know these things. I should not have to ask you.

Mr. SIEMILLER. They have not yet. They are running over. They have talked about cuts in fares and other things of this kind, but these are actual facts as to what they are doing.

Mr. FARNSLEY. Thank you so much.

Mr. FRIEDEL. Thank you, Mr. Farnsley.

Dr. Carter.

Mr. CARTER. Mr. Siemiller, what raise are you asking for now, what is the union asking for?

Mr. SIEMILLER. Raises in rates of pay?

Mr. CARTER. Yes, sir.

Mr. SIEMILLER. We have asked, the demand at the moment is 5 percent.

Mr. CARTER. Five percent for a year for 3 years; is that right?

Mr. SIEMILLER. Per year for 3 years, yes. That was included in the offer that was taken out to the people and was turned down, but the principal reason in my judgment it was turned down is that the times that the 5 percent would have become effective, it was delayed, delayed action on it. If it had been effective the first of January for each of the 3 years of the agreement, it would have been accepted, that portion of it, and that is what we are asking for now.

Mr. CARTER. Reading in the Washington Post this morning, don't you think it is possible that you could get together with the airlines and work out successful solutions to your problem, since the Presidential guidelines are going to be flexible from now on?

Mr. SIEMILLER. I saw that article, sir, in which it indicated the guidelines had gone the way of the dodo bird.

Mr. FARNSLEY. Will the gentleman yield?

Mr. CARTER. Yes, sir.

Mr. FARNSLEY. You haven't been telling your people about those things you read in Fortune, have you?

Mr. SIEMILLER. Some years ago when I was a vice president out in Chicago with the responsibility for the nine Midwestern states, I got my staff together and I suggested to them that they first read the paper "The Machinist" which is the best labor paper in the world, secondly they read the "Wall Street Journal" every day, third they read "Fortune," because in those days they had a very good labor piece in it, and last to read "Esquire" and learn how to dress and look presentable when they went before the public.

Mr. FARNSLEY. I have nothing further.

Mr. CARTER. I just have one question and then I will yield to Mr. Cunningham. Did the machinist's paper say anything about a successful completion to the strike recently or not?

Mr. SIEMILLER. It carried a headline that was somewhat the equivalent of the famous Chicago Tribune headline that announced that Dewey was elected.

Mr. CARTER. I yield.

Mr. SIEMILLER. The story was correct. The headline was wrong.

Mr. CUNNINGHAM. Were you in charge of the day-to-day negotiations on this strike?

Mr. SIEMILLER. Yes, sir. It is my responsibility.

Mr. CUNNINGHAM. Yes, but I understood that it was Mr. Ramsey that really was mixed up in these day-to-day negotiations, was he not?

Mr. SIEMILLER. Mr. Ramsey presented the case to the Emergency Board. Mr. Ramsey and the negotiating committee did the negotiating with the carriers, yes. I was in constant touch with him.

Mr. CUNNINGHAM. Yes, I understand. My only reason for asking that is for the benefit of the committee, in case they wanted to ask for the details that may not be available to you or in your mind at the moment, that they might want to direct a question to Mr. Ramsey.

Mr. SIEMILLER. Oh, fine. And I am sure Mr. Ramsey will be glad to answer them. I referred to Mr. Ramsey a moment ago here to get the answer to a question. I am sure he is a better negotiator than I am. We have got to have the best in there at all times.

Mr. CUNNINGHAM. I am sure of that. Sir, if we were to act as arbitrators of this dispute, what would you say were your major unmet demands, and if they were met would get your people back to work?

Mr. SIEMILLER. The wage increase that I mentioned awhile ago, to trigger in on yearly periods January the first, for carriers to—

Mr. CUNNINGHAM. Would the escalator clause be an important part of that?

Mr. SIEMILLER. Yes, sir, it must be in there before they are going to buy it.

Mr. CUNNINGHAM. We have the letter from the Secretary about the settlement that was rejected but we don't have any information, at least I don't, as to what your position was on July 7.

Mr. SIEMILLER. The escalator clause was—

Mr. CUNNINGHAM. That is a major item isn't it?

Mr. SIEMILLER. It was involved. It was a demand on July 1.

Mr. CUNNINGHAM. And these local disputes, is that a major item with your locals?

Mr. SIEMILLER. It is, sir. The TWA membership in Kansas City talked mostly about the fact that they used sick leave to charge against absenteeism, and they want that rule changed. So, if you are off on legitimate sick leave, it is not charged as absenteeism, if you are accused of excessive absenteeism.

Mr. CUNNINGHAM. But the thought was there might be both. Some of these other items might have been important in their turning this down.

Mr. FRIEDEL. Mr. Adams.

Mr. ADAMS. Mr. Siemiller, I regret exceedingly that the Congress is trying to sit as a part of the collective bargaining process, because I have tried, as your counsel there knows, some cases on behalf of the Government in this precise area of the application of labor-management relations, so I break my question into three parts. We seem to be doing three things here.

First, we are going to have to act as a partial mediation board. I have some questions on that. Second, if we are going to consider this piece of temporary legislation I want certain conclusions as to your thoughts and those of your counsel on that, and third, if we are going to do something of a more permanent nature, which it seems, obviously, is necessary, what your thoughts are, and I want to particularly direct your counsel's attention to this. Perhaps you might make a couple of comments on section 179 as to whether or not we ought to extend the processes of the public being involved using the system that is presently used under the Taft-Hartley Act as opposed to the Railway Labor Act.

Now, going to the first section, first I would like your conclusion. This piece of legislation that is before us, you have intimated this, do you believe it would be our intervening on the side of the carriers?

Mr. SIEMILLER. I certainly do.

Mr. ADAMS. Second, have you prepared a restructured offer in light of your membership being in town, and presented this to management?

Mr. SIEMILLER. We have reverted back to the July 7 position on account of the membership being in town, realizing this is going to be somewhere in the ball park of what will have to be forthcoming before they will ratify an agreement.

Mr. ADAMS. I know their having rejected it, I assume you have now brought your people in and you have talked. Have you restructured those so that you have a position that management can now work against?

Mr. SIEMILLER. Yes.

Mr. ADAMS. And they are aware of this?

Mr. SIEMILLER. They are, yes sir.

Mr. ADAMS. You have presented that?

Mr. SIEMILLER. That is correct.

Mr. ADAMS. Now, turning to the second part which is the temporary legislation, there was an original first proposal that was made in the Senate which was that if we are going to, in effect, put the men back to work by mandatory provisions of this, that we should at the same time put the airlines in receivership so that they weren't in a position to make a profit at that time, so that both sides would be balanced. What is your position with regard to that piece of legislation as opposed to this one?

Mr. SIEMILLER. To evaluate between the two pieces of legislation, I don't think that that would be the answer to the problem either, as much as I don't think this would be the answer to the problem now.

Mr. ADAMS. I may well agree with you, and I take it your position is that you don't favor any temporary legislation at all. But I would ask you between the two, which would you prefer?

Mr. SIEMILLER. Congressman, let me say this. I said yesterday, in answer to a question, it would be grossly unfair to send these people back to work while allowing the companies to keep their fabulous profits and not share them.

If the Congress acted, then they should get down to putting all above say 6 percent in the Treasury of the United States of their profits, and then all of us could share in them. Further than that, we haven't yet asked that the carriers pay 6 percent interest on the delayed wage increase that we have got coming.

Mr. ADAMS. All right, now I have got that for temporary legislation. Now, moving to a more permanent type legislation, we are all aware that this is under the Railway Labor Act rather than under the Labor-Management Relations Act, and the Labor-Management Relations Act as you know has the provisions in it that if there is a national emergency, we are talking about permanent changes—

Mr. SIEMILLER. Yes, I am aware of that.

Mr. ADAMS. As a definition, that you are required at the end of the mediation period to, one, make your offer and position public, management is to make their offer and position public, the Board is to make its position public, and then if this can't be settled at that point, then the last offer of management is to be submitted to the membership at that point.

Mr. SIEMILLER. That is correct.

Mr. ADAMS. And that is not possible under the present act that we are operating under, is it?

Mr. SIEMILLER. That is correct.

Mr. ADAMS. Now, I want to ask your opinion as to this. We talked about the extremes of compulsory arbitration as doing nothing and there is a whole gap in between. I realize you like secrecy and the ability to make informal offers back and forth and so on. But I would ask you this question. If we redefine public interest, in other words, at what point industry or the thing is so much of a problem and we have got to deal with it, what would you think of legislation that would state, building on what I have just told you in the Taft-Hartley Act, that there would be the public involved with a Public Mediation Board and then a retirement of a series of offers and counter offers back during a period of time with the ultimate of an injunction and a taking over at the end while these public offers back and forth continue?

Mr. SIEMILLER. Well, under that offer, under the Taft-Hartley Act, the Labor-Management Act or whatever we call it, it gives the President the right when there is a national emergency, to declare an 80-day injunction that we have. The cases in which it has been used, they did find an answer during that 80-day period that they have as I recall it.

Taking the companies' last offer out to the people to accept or reject has never found an answer on that.

Mr. ADAMS. But what has happened with that, and this is why I would build on this, that there be after that perhaps—let me just ask one more question, Mr. Chairman, and that is this: Do you think that perhaps in the major industries where the public interest is involved, like transportation, communications and so on, that we should perhaps require a breaking down of the units so that we prevent every possible transportation strike from automatically exploding into a nationwide strike?

Mr. SIEMILLER. No, I don't think that you do, because if you do that, then next you move into communication, and then after you move into communications, you will move into other industries, and we will just—

Mr. ADAMS. No, I am not saying we require them to do anything other than bargain one at a time so that they go out one at a time.

Mr. SIEMILLER. I don't think that that is wise. It is a regulated industry. They are all operating under the same procedures. I think maybe the railroads and the joint bargaining—

Mr. ADAMS. All right, let me say you will agree, won't you, that the position of the machinists in Seattle or San Francisco is worse under this agreement than it is say in Atlanta?

Mr. SIEMILLER. I would be inclined to agree.

Mr. ADAMS. Thank you, Mr. Chairman.

Mr. FRIEDEL. Mr. Macdonald.

Mr. MACDONALD. Thank you, Mr. Chairman. Mr. Siemiller, were you surprised that the administration, nobody in the administration would take a position as to whether or not this legislation should be passed, A, by this committee, and then by the Congress?

Mr. SIEMILLER. Not necessarily. I think the administration was very, very honest when they came in and testified that no national emergency existed. I wouldn't want to be critical of them.

Mr. MACDONALD. I am not being critical. I am just making inquiry.

Mr. SIEMILLER. I know that, and my answer might be critical if I was to answer, to say that they have. I would say that my judgment tells me the President has a great respect for the Congress, and if he felt that there had been a national emergency, that a need for legislation was here, he would have been over here jumping up and down and asking you for it. The lack of him asking, he doesn't think there should be legislation is what I believe.

Mr. MACDONALD. I take it because the administration has not taken a position, that the administration doesn't want the legislation?

Mr. SIEMILLER. That would be my observation.

Mr. MACDONALD. Secondly, I would like to ask, with all due respect to my colleagues and myself, you can tell from our questions that we really don't have the background or the knowledge of what went on in those negotiations to make up our own minds as to whether or not the public interest has been so badly hurt that we should take this very extraordinary step in depriving organized labor of its only real power, and that is the power to strike. I would ask you if you don't feel that this is the wrong body to make a summation of months of negotiations and say well, now a national emergency exists even though the Secretary of Labor says that it doesn't, because that in effect is what we would be saying in passing this legislation, isn't it?

Mr. SIEMILLER. Yes, perhaps you are right. You would be saying that regardless of what the administration testified to, and regardless of whether or not they asked for legislation, this body felt that it was and they were going to pass it, and that you would have to define—well, the legislation that is before you does not use the words "national emergency." I think it should. It says, it could be so defined in my judgment that if Podunk in Iowa was denied essential transportation, then the effects of the law could be used. So I think it is wrong, all wrong.

Mr. MACDONALD. I am sure you can understand as a concrete example I feel very strongly about this legislation. I, along with Mr. Adams, have had experience in trying to work out cases between labor and management, and it is just a fact that the ultimate of what labor has in its defense is the right to strike, and it would seem to me that that should only be taken away under very severe provocation, and without any guidelines, to use that overworked word, from the administration as to what transpired during the negotiations, and by this I am not being critical of anybody—Mr. Wirtz testified clearly before us and Mr. Reynolds, whom I know is a very competent man, testified before us, but we still really don't have any idea except what we read in whatever newspapers we read as to what transpired.

Therefore, why should we make this very grave decision that so affects the lives and the livelihoods of so many people?

Mr. SIEMILLER. Back when they passed the original Wagner Act, it was a declaration of principle that there should be collective bargaining in America. It also said that there needed to be, because of the strength of capital, that there had to be trade unions. You take away the right to strike from the trade unions, you destroy the trade union movement in my judgment.

Workers are no longer going to be interested in the trade union movement because the trade union movement is not a force that will

deliver for them what they feel they must have to equal the combined power, prestige, and wealth of management.

Mr. MACDONALD. Isn't it true that in any strike, any strike at all, there there is some public interest involved?

Mr. SIEMILLER. Absolutely.

Mr. MACDONALD. In any strike.

Mr. SIEMILLER. Absolutely.

Mr. MACDONALD. But yet, isn't it also true that the Congress should not intervene as a third party to say you can no longer strike, unless there is a national emergency? On the one hand we have been told no, there is no national emergency, and it is spelled out in detail why there is no national emergency, and then on the other hand we are confronted with this legislation, which will in effect take away the right to strike from your organization.

My last question. What makes anybody think that if under intense pressure the two parties haven't been able to get together, meaning labor and management, that given 6 months of sort of leisurely negotiations that during these 6 months you are going to be able to get together?

Mr. SIEMILLER. I don't have the slightest idea as to the answer to the last question, and in fact I don't see it as any help at all. It is going to be like two bulldoges standing back and looking at each other and growling for a period of 6 months. On the other hand, you take a little city out in Arkansas or any other State that has one drug store or one restaurant, and it went on strike, that would pretty much be a national emergency for that locality that they would have, if there was not an opportunity to purchase something. When you get into what is an emergency, I think then we have to equate the greatness of America with what is a national emergency, and I will assure you this union will be the first to run to help to take America out of any national emergency that may develop.

Mr. FRIEDEL. Mr. Siemiller, the chairman made a statement that we might meet tomorrow morning at 9 o'clock. Are you willing now to sit down this afternoon with management and try to work out an agreement?

Mr. SIEMILLER. The answer is "Yes," Mr. Chairman. We are willing to do it as I have stated and have repeatedly stated, we are willing to sit with management until we do reach an agreement.

Mr. FRIEDEL. Mr. Curtin, would you be willing to sit down this afternoon and try to negotiate and try to get an agreement before we meet tomorrow morning at 9 o'clock.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. FRIEDEL. You would?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. FRIEDEL. Is there anyone here representing the Secretary of Labor? Is Mr. Reynolds here?

Mr. Reynolds, will you see that they get together this afternoon and try to iron this out?

Mr. WATSON. Mr. Chairman, in that regard, why does he have to sit with these gentlemen?

Mr. FRIEDEL. He does not have to sit with them. I want him to arrange that they meet together.

Mr. WATSON. These gentlemen are well able to arrange that. I say that in all kindness.

Mr. FRIEDEL. They both said they would, but I want to make sure that a meeting is arranged. I want to make sure that Mr. Reynolds sees that they get together.

Mr. FARNSEY. Mr. Chairman, a parliamentary question. Did you say that they are willing to or that they would meet?

Mr. FRIEDEL. They said that they would meet.

Is that correct?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. SIEMILLER. We will be there.

Mr. FRIEDEL. They will meet.

Mr. MOSS. Mr. Chairman.

Mr. FRIEDEL. Mr. Younger, and then I will call on you.

Mr. YOUNGER. Thank you, Mr. Chairman.

There is one matter, Mr. Siemiller, that I think ought to be clear for the record, and I am sure you didn't mean it. A while ago, when they were talking about the possible slowdown, you said that you were going to instruct your mechanics not to sign off on a plane that had any mechanical deficiencies in it. By inference, you inferred that under normal procedures, your mechanics do sign off planes which have mechanical deficiencies, and I am sure you did not mean that, did you?

Mr. SIEMILLER. I did not mean that they would sign off any plane that had a mechanical defect that would affect the airplane in flight.

Mr. YOUNGER. And they never have?

Mr. SIEMILLER. To the best of my knowledge, they never have.

Mr. YOUNGER. That is what I mean.

Now, you noticed last night the guidelines of the Government are somewhat changed. The Treasurer announced that they were going to make their guidelines more flexible. You and I had a little talk on that yesterday, so I am glad that at least we have made that impression.

Now, one other question. Is it true what you said yesterday, that from now on, no contract would be signed that did not have a clause in it, an escalator clause, tied in with the cost-of-living index? Is that true?

Mr. SIEMILLER. I said in my judgment, that these workers would not accept a contract that did not have a cost-of-living escalation clause in it. If they were to accept one, if it came out again and they voted in the majority, we would sign it. But my judgment tells me they are not going to vote in the majority without an escalator clause in it.

Mr. YOUNGER. That is one of the—

Mr. SIEMILLER. It is a must.

Mr. YOUNGER. A must. One of the things, one of the questions which you said hampered the approval of the agreement which you made before, was that in the second increase, it covered an 18-month period instead of 12.

Mr. SIEMILLER. The first increase.

Mr. YOUNGER. Yes, the first increase.

Do you believe that if you had held tight and got an annual increase for 3 years, you would have had a contract which would have been agreeable to the mechanics the country over?

Mr. SIEMILLER. I do not know if that would have done the total job or not at that time. It would have been one that would have helped to do it, but it is a must if we get one, when we get one. We are going to get one.

Mr. YOUNGER. Do you believe that the Government ought to take over the airlines?

Mr. SIEMILLER. I don't want the Government to take over the airlines.

Mr. YOUNGER. Do you believe that the Government should take over the airlines?

Mr. SIEMILLER. No; I don't.

Mr. FRIEDEL. Mr. MOSS.

Mr. MOSS. Mr. Siemiller, in view of the strong urgings of Mr. Friedel that bargaining be resumed this afternoon, I would like to inquire as to the progress, if any, in the attempts made at bargaining yesterday.

Mr. SIEMILLER. There was no progress. I should report that the carriers said they were standing pat on the offer that they made at the time that our membership rejected it. They have made no additional offer.

We said it takes more and we have put in—said we want the position of July the 7th. There has been no offer, no give or nothing to say that we would—

Mr. MOSS. Has there been a counter offer on the part of your organization modifying the July 7 position?

Mr. SIEMILLER. There has not.

Mr. MOSS. Was the item of escalation in the cost-of-living index included in the July 7 request?

Mr. SIEMILLER. It was.

Mr. MOSS. Then the assessment of the Secretary of Labor in the morning's paper, "ceiling zero, visibility zero," is an apt description?

Mr. SIEMILLER. It is perfect.

Mr. MOSS. Is the cost-of-living escalation the principal difference?

Mr. SIEMILLER. It is one of the principals. It is a major one.

Mr. MOSS. Is it the most substantive of the issues?

Mr. SIEMILLER. I would say yes, Congressman Moss.

Mr. MOSS. I would like to, Mr. Chairman, recognizing the fact that the Assistant Secretary of Labor is present, ask that this committee be furnished at the earliest possible moment with a list of industry bargaining agreements containing cost-of-living escalation clauses, so that we have the benefit of some idea of the breadth of such provisions in labor agreements.

What would you list as the next most substantive item of disagreement between the parties?

Mr. SIEMILLER. It is pretty hard to say the most substantive that you would have. The cost-of-living escalator clause, the wage increases to be for yearly periods with retroactivity to January 1, 1966. We want the vacations that they have agreed to to become effective next year, not further down the line. We want the two and a half times pay for overtime work and a holiday to become effective now.

Mr. MOSS. You want the escalation of the agreement, in other words?

Mr. SIEMILLER. Yes, to bring up to the present time, to bring in the fringe benefits, to bring it in either now or January 1, 1967, depending upon the various ones that are involved.

Mr. CURTIN. Will the gentleman yield?

Mr. MOSS. I have remaining time. I will be very pleased to yield.

Mr. CURTIN. I have just one question. You said, Mr. Seimiller, that the carriers yesterday indicated they were going to stand pat. Did labor also indicate that you, too, were going to stand pat on your demands, or did you indicate a willingness to give on some if the management gave on some?

Mr. SIEMILLER. We never had a counterproposal. We came back to the July 7 position of our union, which we said we would have to have. This July 7 position which we moved away from at the White House in order to take it out was put together after a broad consultation among the people involved.

We thought maybe they had overestimated, overstated it, and we were willing to take out the offer that was worked out over in the Executive Office Building.

However, we moved back yesterday to the July 7 position. The carriers stuck with their last position, so I wouldn't say that they were any more bullheaded than we were yesterday.

Mr. CURTIN. You were both adamant yesterday on your previous positions?

Mr. SIEMILLER. Yes. I have high respect for these carriers and these people here, the people we are dealing with, so I am not about to call them names that I won't call ourselves.

Mr. CURTIN. Thank you, Mr. Chairman.

Mr. FRIEDEL. Mr. Dingell. We want to hear from management before we adjourn.

Mr. DINGELL. I will be very brief.

Mr. Siemiller, we have been discussing from time to time the August 9 agreement under which you agreed that bargaining would be done with all five of the parties concerned, and that you would arrive at a uniform agreement with each.

I would like to ask you whether this has in any way impeded a settlement of the issues before the management and labor negotiators?

Mr. SIEMILLER. I don't think so, because I believe that question implies would one of the carriers break away from the other four and settle behind their backs or behind the scenes. I think they are too honorable for that. I don't think it has.

Mr. DINGELL. I don't think that the question of the honorable nature of the carriers is involved any more than the honor of the bargainers for the union are concerned. What I am asking is were it not for this agreement between the management and labor representatives, and apparently between management representatives, could this matter have been more quickly resolved?

Mr. SIEMILLER. I don't think so.

Mr. DINGELL. Supposing you tell me why not?

Mr. SIEMILLER. The issues would have been the same. I believe the carriers' position would have been the same on each of the properties, whether it was individually or collectively.

Mr. DINGELL. Was this August 9 agreement then something which had to do with rejection by the membership?

Mr. SIEMILLER. The August 9 agreement—if it would please the Chair, we will make a copy of it available to the total committee for your perusal. We will be happy to do that.

Mr. DINGELL. Let me make this point now.

Yesterday, you told this committee that the fact, for example, that Eastern Airlines already pays 3 cents on line maintenance work, and

would be raised 2 cents under the agreement instead of the 5 cents that would be available to other lines, this is done because of the August 9 agreement, and you indicated to the committee at that time that this may perhaps have been one of the obstacles in acceptance by employees of Eastern. Now, I ask you in the light of that whether or not you will make the flat statement to this committee that that August 9 agreement would not stand in the way of resolution of the issues between the parties?

Mr. SIEMILLER. I don't think it did. I am convinced that it did not stand in the way of an agreement. I am convinced if Eastern, if some airline, had settled as they have agreed to for 5 cents now, Eastern would have still taken the same position, "We will meet it, we won't go above it."

Now, 5 cents is in effect on other airlines at the present time. It is not new or novel that they have come up to in this agreement.

Mr. FREIDEL. Mr. Nelsen.

Mr. NELSEN. You indicated that Mr. Wirtz met with the carriers and did not convince the carriers that they should give any more. In other words, you implied that Mr. Wirtz asked the carriers to make concessions but they felt they should not, or would not. Is this what you intended to imply?

Mr. SIEMILLER. No; I did not intend to use that language. I don't know what Mr. Wirtz said to the carriers. He met with them. He discussed it. I am quite certain that he ascertained their position. What he asked them to do or not to do, I have no knowledge of.

Mr. NELSEN. I would like to raise this point. Do you think that the guidelines of the Presidential Commission is unfair in these negotiations?

Mr. SIEMILLER. The so-called guidelines are unfair, period.

Mr. NELSEN. All right. Then, are you of the opinion that the airlines are permitted to negotiate without any regard to the guidelines? Do you believe that they could do this? Do you believe that the Presidential Commission would hold still for the airlines going above the guidelines set up?

Mr. SIEMILLER. You asked me for my opinion. Of course, I have no knowledge as to this. I do not know what pressures the carriers have been put under to keep within any kind of guidelines. I know that what was agreed to over in the Executive Office Building exceeds 3.2. I am convinced also that the carriers are financially able to meet the whole bill, and I do not know whether it is guidelines or could I say stubbornness to keep them from doing it.

Mr. NELSEN. May I just state this? It is not clear to either of us as to whether or not the Presidential Commission would go along with additional concessions on the part of the airlines. Yet, the controversy seems to be continuing between labor and the airlines. Yet, I have the feeling that the intervention of the Presidential Commission has been the one problem that has stood in the way of settlement.

I would like to be convinced that there is a way out of this thing, but all of the time, we get the Government involved, and I wonder what the real answer will be.

Now, Mr. Chairman. I don't want to take more time, but I do not think we have had a clear-cut answer, and I do not know that Mr. Siemiller can give it to us really.

Mr. FRIEDEL. I think the action taken the other day was above 3.2,
Mr. NELSEN. It was 4.3.

Mr. SIEMILLER. I can't give you an answer that it was above that,
as to what the pressures were involved in that that we would have.

Mr. NELSEN. I understand.

Mr. SIEMILLER. I would note that the administration did not do
anything to tell the steel companies they couldn't raise prices, and the
new price of steel is pretty solid today.

Mr. FRIEDEL. Mr. Keith, for a brief question.

Mr. KEITH. Mr. Chairman, I got the impression that Mr. Wirtz
had some responsibility insofar as the arrangements for the after-
noon session is concerned. I would hope that this should take place
with some privacy.

Mr. FRIEDEL. I want to note that both management and labor will
meet together this afternoon. I just want to make sure that they
will meet. I do not want the Secretary of Labor to get involved in
the thing, but I want to make sure that they got together and sat
down and arranged for coffee or something and stay there, and I
would hope that they would bring out a bill themselves in settlement.
[Applause.]

Mr. KEITH. I know I hope that something doesn't happen to the
public.

Mr. FRIEDEL. I will tell you right now this committee wants labor
and management to get together, so we will not have to act.

Mr. SIEMILLER. I understand that.

Mr. FRIEDEL. And that is the sentiment, I think, for the majority
or the unanimous sentiment of this committee. So we are asking
you to please give and take. You can't say "This is it," and man-
agement can't say "This is it." You have both got to give and take,
and we will be very, very happy.

Mr. SIEMILLER. I am sure that is correct.

Mr. FRIEDEL. Are there any more questions?

Thank you, Mr. Siemiller. You have been very, very good. I
think you have answered the questions very fairly.

Now, we would like to hear from management.

Mr. Curtin.

Mr. SIEMILLER. We will be very happy to give them the hot seat
here.

Mr. Chairman, this is the August 9 agreement that we said we
would put in, whoever picks them up for you.

(The document referred to follows:)

AGREEMENT

This Agreement entered into this 9th day of August, 1965, by and between
the undersigned Air Carriers, hereinafter referred to as the Carriers, and the
International Association of Machinists, hereinafter referred to as the Union,
representing the employees covered by the agreements listed in the Appendix
attached hereto.

Whereas, it is the intent and desire of the parties to maintain good faith
bargaining and amicable labor-management relations and to arrive at mutu-
ally satisfactory collective bargaining agreements in an expeditious manner
between the Union and the undersigned Carriers;

Whereas, it is understood by the parties that there is no legal compulsion
to agree to joint negotiations as herein provided or to any negotiating pro-
cedures apart from those provided in the Railway Labor Act, the parties volun-

tarily agree to the procedures hereinafter set forth with the understanding that this Agreement will not create a precedent, custom or practice;

Now, Therefore, the parties to this Agreement mutually agree as follows:

1. Notwithstanding the provisions of the individual Union-Carrier agreements with respect to the time at which notices of intended change may be served, such service by written mail notice postmarked October 1, 1965, shall be made by the Union and Carriers upon each other of any intended changes in agreements affecting rates of pay, rules, or working conditions, and no other provisions of such Agreements, including the Duration provisions thereof, shall be affected by service of such notices.

Such intended changes as to each agreement between each individual Carrier and the Union shall be stated as separate, single and specific proposed items and shall not exceed fifteen (15) in number by either party thereto. Such separate, single, and specific proposed items on the following subjects, served by either party, which are identical to all carriers shall be the subject of joint bargaining:

- (a) Rates of pay and progression steps
- (b) Vacation allowance
- (c) Holiday provisions
- (d) Health and welfare programs (insurance programs)
- (e) Overtime rules
- (f) Pension plans
- (g) Hours of service
- (h) License requirements and premiums

Any other Union or Carrier proposed items shall be subject to individual carrier bargaining as hereinafter provided.

During the pendency of the proceedings covered by this Agreement, including proceedings that may be initiated in accordance with the Railway Labor Act, until agreement has been achieved as to the intended changes proposed, no further proposals or Section 6 notices of intended changes shall be submitted by any of the parties. Nothing contained herein shall preclude the Union or the Carriers from submitting counter proposals on any item of intended change included in the original written notices if not previously withdrawn.

2. Two weeks after the date of the notices of intended change, each Carrier shall meet with its employee negotiating committee in direct negotiation conferences to consider such proposals subject to individual Carrier bargaining. Such separate conferences shall be held at the individual Carrier offices. These direct negotiations shall continue five (5) days per week for a period of not more than three weeks. Extensions of the period of direct negotiations may be agreed upon between a Carrier and its employee negotiating committee but any such extension shall not delay the further proceedings hereunder described.

3. On November 15, 1965, a committee representing the Carriers shall enter into direct "joint" negotiations with a committee representing the Union on all then remaining issues and proposals served by the parties as herein provided, including those issues that may not have been resolved during the individual Carrier negotiation conferences. The Carriers parties to this Agreement shall designate one principal spokesman, and the Union shall designate one principal spokesman. The "joint" negotiations shall continue for a period of not more than four weeks, unless otherwise agreed to by the parties.

4. All remaining issues not resolved in the preceding step shall within ten (10) days be referred to the National Mediation Board for mediation.

5. In Steps 2. through 4. of this procedure, all proposals agreed upon shall be reduced to writing in a form to be inserted in the appropriate collective bargaining agreements, initialed by the appropriate parties, and removed from negotiations, subject to agreement on the remaining proposals.

6. Negotiations commenced under this agreement will include all procedures under the Railway Labor Act and will be on a joint basis. All issues in joint negotiations will continue to be handled on a joint basis between the parties until final disposition of all issues in accordance with the provisions of the Railway Labor Act.

7. The Carriers and the Union agree that their respective committees shall, at the commencement and throughout the procedures provided in this Agreement, be empowered to negotiate agreements which shall become final and binding on all parties upon ratification by the members of the Union. None of the parties shall execute an agreement until all of the parties have reached agreement in final settlement of all issues.

8. Necessary joint expenses authorized to carry out the purposes of this Agreement shall be borne one-half by the Union and one-half by the Carriers.

9. The Union and the Carriers agree to observe all the provisions of the applicable agreement and the status quo provisions of the Railway Labor Act throughout the proceedings covered by this Agreement. The Union agrees that it will not call, cause, sanction or ratify any work stoppage, slow down, sit down strike, refusal to work normal overtime, or other actions intended to interfere with the normal operations of the Carriers during the life of this Agreement. The Union further agrees that it will take immediate affirmative steps to direct any members, Local or District Lodge officers to cease and desist from any action in conflict with the intent of this Paragraph. Nothing herein shall preclude any employee, group of employees, or parties to this Agreement from availing themselves of the grievance procedures and protections afforded in the applicable agreement.

10. The parties further agree that any action to change the status quo following exhaustion of the procedures of the Railway Labor Act shall, if taken by the carriers, be a joint action by all carriers parties hereto, and, if taken by the Union, shall be a joint action as to all carriers parties hereto.

11. This Agreement shall terminate on the date all of the parties have executed collective bargaining agreements or amendments to all agreements specified in Appendix A.

In witness whereof, the parties have signed this Agreement as of the date first above written.

EASTERN AIR LINES, INC.,
By JOHN B. MEAD.
NATIONAL AIRLINES, INC.,
By J. W. ROSENTHAL.
NORTHWEST AIRLINES, INC.,
By _____
TRANS WORLD AIRLINES, INC.,
By J. WOODROW THOMAS.
UNITED AIR LINES, INC.,
By CHARLES M. MASON.

INTERNATIONAL ASSOCIATION OF MACHINISTS,
By JOSEPH W. RAMSEY, G.L.P.
By FRANK HEISLER, G.L.R.
By B. E. _____

Approved NMB.

HOWARD G. GAMSER,
NMB Member.

APPENDIX A

AIRLINE	AGREEMENTS COVERED BY JOINT NEGOTIATIONS AGREEMENT
Eastern Air Lines, Inc.-----	Agreement dated December 30, 1963, between Eastern Air Lines, Inc., and the International Association of Machinists.
National Airlines, Inc.-----	Agreement covering mechanical, stores and related employees.
Northwest Airlines, Inc.-----	* The Agreements between Northwest Airlines, Inc. and the International Association of Machinists covering "Mechanic and Related Personnel, Flight Kitchen, and Plant Protection Employees."
Trans World Airlines, Inc.-----	* The Agreements commonly referred to as covering "Mechanics and Related Employees," "Dining Service Employees," and "Guards."
United Air Lines, Inc.-----	* Mechanics, Ramp and Stores, and Dining Service Agreements between United and the International Association of Machinists.

*Considered as one agreement for the purposes of Paragraph 1 of the Joint Negotiations Agreement.

Mr. FRIEDEL. Can we get an agreement as to what time you are going to meet this afternoon?

**STATEMENT OF WILLIAM J. CURTIN, SPOKESMAN FOR AIRLINES;
ACCOMPANIED BY THOMAS D. McCANN, ATTORNEY; AND RICH-
ARD C. HOTVEDT, ATTORNEY**

Mr. WILLIAM CURTIN. What time do we conclude here this afternoon?

Mr. FRIEDEL. 12 o'clock.

Mr. WILLIAM CURTIN. 2:30.

Mr. FRIEDEL. Can you arrange a place?

Mr. WILLIAM CURTIN. The Labor Department has been happy to make rooms available to us for some time.

Mr. FRIEDEL. I do not want to know where you are going to meet but have you all agreed where?

Mr. CURTIN. Mr. Chairman, may I say a word?

Mr. FRIEDEL. A word?

Mr. CURTIN. As one Curtin to another Curtin, I want to welcome you to this committee. I do not think we are related but I have been following your activities in this matter with very close attention.

Mr. WILLIAM CURTIN. Thank you, Congressman.

Mr. FRIEDEL. Mr. Curtin, you may proceed.

Mr. WILLIAM CURTIN. Mr. Chairman, preliminarily, we brought down a number of statements or copies of the statement which I intend to present to you this morning. We have given them, I gather, all to the clerk of the committee. Should there be extras I believe that the union representatives would like to have some additional copies; is that correct?

Mr. SEYMILLER. That is correct; four or five.

Mr. WILLIAM CURTIN. I have a prepared statement, Mr. Chairman, which I do not intend to read. I would ask that it be placed in the record, and if I may—

Mr. FRIEDEL. If there is no objection, the full statement will be included in the record.

(The full statement of Mr. William Curtin follows:)

**STATEMENT OF WILLIAM J. CURTIN ON BEHALF OF EASTERN AIR LINES, INC.;
NATIONAL AIRLINES, INC.; NORTHWEST AIRLINES, INC.; TRANS WORLD AIR-
LINES, INC.; AND UNITED AIR LINES, INC.**

My name is William J. Curtin. I am an attorney and a partner in the firm of Morgan, Lewis & Bockius. I serve as the Chairman of the Five Airline Carriers Negotiating Committee.

The Chairman of this Committee has kindly asked us to testify upon Senate Joint Resolution No. 186 which passed the Senate on August 4 and which now is under consideration in this body. That Resolution finds that the current dispute between the International Association of Machinists and the Five Carriers is a threat to essential transportation services within the meaning of the Railway Labor Act. To be specific, that Resolution finds that the Machinists strike against these airlines:

"threatens substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation services."

As we understand the purpose of this Hearing, the question for discussion is whether the IAM strike against the airlines meets this test. We shall so limit our remarks both in terms of time and subject matter and will not even begin to discuss the issues and equities of the negotiations. Naturally, if any member of the Committee has any questions about the dispute or our conduct of negotiations, we will be pleased to answer such questions subject to the limitations of time and the rulings of the Chair.

Thank you for the opportunity to tell the House Commerce Committee how seriously essential national transportation services have been disrupted. Some would have the Congress ignore the crisis. Despite such partisan pressure from those who seek to profit at the public expense, it is abundantly clear that the crisis was serious at the outset, and has grown steadily worse as the Nation suffers without the majority of its air transportation system. We believe, and think the Committee will conclude, that essential transportation services have been disrupted after a review of the economic facts and the testimony of informed, objective observers.

It is noteworthy that the Railway Labor Act itself provides for the creation of an "emergency board" whenever there is a dispute which threatens "substantially to interrupt interstate commerce to a degree so as to deprive any section of the country of essential transportation." Significantly, when the National Mediation Board recommended and President Johnson created Presidential Emergency Board No. 166, they declared through Executive Order 11276 that the dispute threatened "substantially to interrupt interstate commerce to a degree such as to deprive the country of essential transportation service." Clearly, from the very outset of this dispute, it has been recognized that it is not a local or regional problem, but it is a national problem affecting the essential transportation services of the country as a whole. On June 7, President Johnson stated that this strike would "cripple the vital flow of people and products across America."

Not only have the National Mediation Board and the President spoken forcefully upon the disruption of essential national transportation services caused by this dispute, but the Civil Aeronautics Board has also come to this conclusion. On July 9, 1966, in Order E-23926, the Civil Aeronautics Board recognized that the strike required extraordinary measures and granted emergency authority in an admittedly inadequate attempt to alleviate some of the public's suffering. The CAB said:

"This strike has created an emergency situation of major proportions. The five trunkline carriers handle well over one-half of the Nation's domestic passenger traffic—approximately 85,000,000 passengers during 1965—and collectively they serve over 230 important cities, over 70 of which are left completely without trunkline service as a result of this strike. Manifestly, a shutdown of service of this magnitude will work substantial hardship on the public. Also, as the President has stated, the work stoppage could bring a disruption of the movement of men and materials needed to support our commitments to freedom's cause throughout the world."

Congressional leaders have forthrightly protested disruption of our essential transportation network. As Congresswoman Bolton said:

"... the people of my district—as well as in all areas of our country—are suffering tremendously. The economic loss is very great. . . . It is a shocking and intolerable situation." *Cong. Rec.* 15564.

Congressman Kornegay stated in the Record:

"... the people of my district—and I am sure the people in the districts of many of the Members—are suffering tremendously. In my district we are totally deprived of any trunkline service. The economy is suffering. . . ." *Cong. Rec.* 15441.

Congressman Jarman declared:

"Not only are the airlines themselves the only parties injured by this strike. . . . A strike against airlines, Mr. Speaker, is a strike against the public. . . . Settlement of this strike at the earliest possible moment should be urged in a single coordinated demand by the public, the Congress and the President, acting together in what has become an emergency situation to restore these vital air services." *Cong. Rec.* A 3795.

Congressman Rivers has said:

"This strike is costly to the military and it is costing us untold millions of dollars at a time when air service is critical, to say nothing of the millions of people who are cut-off in their respective towns and hamlets across this great Nation." *Cong. Rec.* 14991.

Congressman Conte has said :

"Mr. Speaker, for more than one week now, this country has been in the throes of a major economic crisis as a result of the strike against the major airlines by the machinists union. . . . But inconvenience is the very least of the headaches that are piling up as a result of the airlines strike. . . . These are grim statistics indeed, especially at a time when this Nation is undergoing critical economic stresses from other sources. . . . It is critically important and, in my judgment, should have a No. 1 priority among the domestic problems currently facing this Nation." *Cong. Rec.* 15212.

These are only a few of the vigorous Congressional demands for an end to this transportation crisis. As many as 48 Representatives have publicly expressed themselves in the *Congressional Record* on the damage to the public interest caused by this disruption of essential transportation services. (See Appendix A.)

By its passage of S.J. Res. 186, the United States Senate joined the National Mediation Board, the Civil Aeronautics Board and the President in declaring that this is a crisis in our national transportation system.

So far, we have cited the testimony of objective observers to prove that the standard for Congressional action prescribed in the Resolution has been met. A review of the economic facts supports their conclusion. Air transportation has become the dominant mode of intercity passenger travel on common carriers. To be precise, 59% of intercity passenger movement on common carriers takes place by air. The strike has effectively removed the large majority of that air capacity. A quick review of the facts with which the Committee may already be familiar bears out this conclusion. Shortly before this strike began, the average daily number of passengers being carried by these five carriers was in excess of 150,000 persons per day. In 1965 these five carriers alone performed more than 30 billion revenue passenger miles. They served a combined total of 231 cities. They operated in the largest and most important airline markets in the country. In many markets, they provided the only air services available. Indeed, in 54 major city pairs, these carriers provided 100% of the flights as proven by an official Order of the Civil Aeronautics Board issued July 15. We attach to our prepared statement a copy of that CAB Order E-23963 (appendix B) which shows total elimination of regularly scheduled service on 54 heavily traveled routes. That CAB survey also shows another 47 top city pairs in which the struck carriers had been providing more than 50%, but less than 100%, of the flights. It is significant that the CAB released this evidence after the strike began and the CAB had attempted, unsuccessfully, to ease the public's burden by trying to let other carriers fly these routes. The lack of available equipment and personnel has meant that the CAB's extraordinary efforts to substitute other services has done little more than ease the public's suffering in a few areas to a slight degree.

In the New York-Miami and Chicago-Miami, as well as other Florida markets, at least two-thirds of the service was provided by one or more of these carriers. On the transcontinental routes, two-thirds of the service between the principal Eastern cities and Los Angeles and San Francisco was operated by the struck carriers. In the Northeast corridor, the shutdown of operations by Eastern has affected approximately 85% of the traffic moving between Boston, New York and Washington. Similarly, termination of this carrier's services has removed the only regular air service between Huntsville and Cape Kennedy.

The Civil Aeronautics Board on July 26, 1966 tried to alleviate the traffic jam of defense, space and technical travelers between Washington, D.C. and Huntsville, Alabama, by asking a local service carrier to try to fly its equipment over this long route. This stopgap effort was done at the request of NASA. There are now 68 cities in the United States without trunkline service, including five state capitals. Included are such important cities as Akron, Allentown, Harrisburg, Lansing, Lincoln, Madison, Milwaukee, Moline, Norfolk, Richmond, Spokane and Youngstown. In addition, there are 24 significant cities deprived of all their regularly scheduled air transportation.

A survey of the 100 top markets in the country shows that 65 of them have lost between 50% and 100% of their air transportation service. Among the major cities most severely damaged are Tallahassee (Florida's capital) which has no air service; Mobile, Alabama, which has lost 98% of its trunkline service;

Flint, Michigan, which has lost 91% of its service; and Baltimore, Pittsburgh, Richmond and Toledo all of which have almost more than 80% of their trunkline service. Some 87 cities have been deprived of 50% or more of their normal air transportation service. We attach a summary of those cities (Appendix D) showing how widespread the interruption of commerce in cities with which Committee members are likely to be most familiar are marked with an asterisk.

The Committee should know that these carriers provide several kinds of transportation services for the Department of Defense and military men. We normally provide regular military transport service flights and charter flights all over the country and the world for the movement of servicemen under orders. While these flights have continued, supported by a patchwork of emergency arrangements for maintenance by workers and supervisors, there is no telling how long such efforts can be efficiently and safely continued so that the Department of Defense can rely to a certainty on this mode of transportation as it has in the past. In addition, these five carriers provide travel facilities for off-duty servicemen so that they may efficiently use their off-duty time for home visits. In the strictly limited leave time available to these servicemen, they have come to depend on this service and are now relegated to days of waiting in air terminals hoping for a vacant seat on the limited facilities still operating. In the most recently recorded 12-month period, these five carriers transported 2,566,425 servicemen on this basis. That means that more than 7,000 servicemen per day, or a total of more than 200,000 since the strike began, have not had this low cost, dependable service available to them for use of their furloughs.

The Department of Defense has rigged up emergency National Guard and Air Force flight systems in an attempt to maintain the flow of spare parts, vital supplies, and personnel. Even so, by July 27, the Administration admitted that official Department of Defense travel within the United States was down as much as 40%; United States Contract Cargo programs have not found adequate substitute services; and defense contractors are having difficulty moving key personnel on time. Even if emergency military arrangements haul some of the load for a while, there is no telling how long they can keep it up without detracting from essential defense roles. And, as Congressman Rivers has stated, the cost to the Government is enormous.

Not only do people travel on airplanes but cargo does, too,—important, specialized cargo. The main items in air cargo tend to be small, high-priced, usually precision components or highly perishable items. The Administration has testified these include delicate electronic and scientific equipment, spare parts, financial and legal documents, bank clearances, medicines and medical supplies, and military supplies needed quickly. These are being severely hurt because there is insufficient capacity among the other carriers. The five struck airlines last year carried more than 525 million cargo ton miles. Among the industries most affected by the almost total absence of useful shipping facilities are industries moving perishable commodities to market. In some regions of the country where growers, processors, manufacturers and fishermen have specialized in such perishable commodities, the impact is particularly cruel. Some lobbyists have attempted to belittle air cargo by comparing its relatively low tonnage to the enormous transportation of bulk freight by rail and truck. The qualitative-quantitative distinction is obvious and need not be belabored.

The disruption of passenger and freight service on these carriers flying overseas routes causes yet another danger to the national interest; namely, a sharp worsening in the already serious balance of payments problem. As travelers find themselves unable to fly U.S. flag carriers such as TWA and Northwest, they are turning to foreign carriers in steadily increasing numbers. We conservatively estimate \$1 million a day is being diverted to foreign flag carriers.

Another barometer of public concern is the overwhelming editorial comment from newspapers around the country calling for restoration of vital transportation services. This comment, much of which has been reprinted in the Congressional record thanks to the efforts of concerned Senators and Representatives, testifies to irreparable damage being caused throughout the nation.

To summarize this portion of our testimony, we have reviewed the following authorities and facts to show that transportation services, which are essential to the nation, have been disrupted:

the expressions of grave concern by the National Mediation Board, the Civil Aeronautics Board, the Administration and Members of Congress;

the dominant size of air transportation in intercity common carrier passenger traffic;

- the majority of that air transport industry made up by these five carriers;
- the elimination of trunk airline service from scores of major markets nationwide, leaving many cities totally without essential services;
- the elimination of air cargo services to those industries and regions depending upon speedy travel for quality and perishable cargo;
- the elimination of air service to off-duty servicemen and the wholesale reduction of Department of Defense official travel;
- a damaging loss to our balance of payment position;
- and finally, the overwhelming nationwide editorial comment expressing support for prompt action in the public interest.

In short, this presents a case for action to break a tragic impasse.

Turning away from the disruption of essential national transportation services, we think it will be helpful to advise the committee of certain economic facts about this air transport industry. It has taken a long time for the air transport industry in the United States to achieve a healthy, economic condition, capable by its own resources of meeting the public's needs of today and tomorrow. Beginning in 1956, the Civil Aeronautics Board studied airline fares, earnings and costs. The CAB recommended that, to pay good wages, maintain safe conditions and meet the needs for continuing equipment changes, airline carriers such as these should be receiving an annual average rate-of-return on investment of 10.5 percent. That CAB study was concluded and published in 1960 when the carriers were earning a scant 3.5 percent rate of return. In subsequent years this dropped and then climbed gradually through such figures as 0.8 percent, 4.2 percent, 5.3 percent, 9.6 percent and, only in the last year 12.3 percent. Over the 6-year period since the CAB delivered its 10.5 percent rate on investment formula, these five carriers have earned barely more than half that figure or an average of 6.4 percent annually. It is especially important to realize, as did the Presidential Emergency Board No. 166, that despite this inadequate, long-term profit performance, this industry consistently paid top-class wage rates, then and now. It is also important to recognize that this industry, despite this inadequate profit performance over the long-run, has privately financed an enormous investment in new equipment. These five carriers fly almost two billion dollars worth of aircraft and have made firm contractual commitments to double that amount over the next five-year period. Such growth, which is in the interest of the national economy, is being financed by private capital, flowing from or dependent upon continued earnings potential. The carriers have consistently returned better than 85 percent of their net profits to this kind of investment in progress rather than disbursing it in dividends to the shareholders. We are not arguing the equities of this labor dispute by mentioning these facts. Rather, we are stressing that the air transport industry, of which these carriers constitute the major portion, has become an essential component in our dynamic economy. If it cannot continue to finance existing equipment and grow with future national needs, these vital transportation services are either going to go unperformed or the federal government will fall heir to the responsibility for this enormous transportation system. A shift from private to public responsibility for our transportation system should be abhorred by all.

Since this strike began, the five carriers have suffered revenue losses of more than \$256 million. The strike has compelled the carriers to lay off as many other employees (union and non-union) as the union called on strike. The wages lost by these employees amount to about \$2 million every day and \$64 million for the entire strike so far. These are dollars which are not now flowing through the economy. In addition, in all of the 231 cities these carriers serve, industries and people whose services are closely tied to the air transport industry are severely hurt. Among these are fuel and food suppliers, ground transportation systems, and other airport service facilities. The loss of revenues to the cities we serve is serious. Every report from cities like Miami, Chicago, San Francisco, Los Angeles, New York, and Minneapolis-St. Paul tells of daily six-figure losses and greater to businesses related to our transportation system. The New York City losses in travel related businesses are about \$750,000 per day and the corresponding Miami losses are about \$1,400,000 per day. When lost airline ex-

penditures for wages and supplies are added in the Miami area report, it has lost \$2 million per day, which is \$64 million since the strike began.

The economic loss does not only hit at the private economy; it also hits the treasuries of Federal, State, and Local governments, because the parties, if working, would be yielding approximately one and three-quarters of a million dollars daily in tax revenues to the various levels of government, which means that about \$56 million in tax revenues have been cut off from government so far.

Turning to another aspect of the dispute, we would like to speak briefly about the unfortunate history which has brought us all into this room. This is not an attempt to relitigate the economic facts already demonstrated by both parties and decided according to law by Presidential Emergency Board No. 166. It should not be necessary to move into the massive detail here that the parties went into before the Presidential Emergency Board. But the Committee may be interested in knowing how and why we conclude that collective bargaining has broken down and that legislative action is necessary to protect the public interest and indeed the collective bargaining process itself. In the summer of 1965, it was the Union which asked the five carriers to bargain as a group. Bargaining on national and local issues continued until the winter of 1966 under the auspices of the National Mediation Board. That Board, pursuant to the Railway Labor Act, proffered voluntary arbitration to the parties. The carriers accepted but the union refused to submit to such objective judges. Shortly thereafter, as the President was on the eve of appointing an Emergency Board, the Machinists wired him saying he should not bother to appoint an Emergency Board "because it would be a waste of time." When the Presidential Emergency Board issued its report on June 8, 1966, it recommended an expensive settlement which would cost the five carriers \$76 million more in wage costs over a 42-month period. Despite this large increase in labor costs, the carriers accepted the Board's recommendation as a framework for settlement in cooperation with the President's plea for settlement on that basis. The union rejected that recommendation out of hand with the comment that its Chairman was guilty of "Nineteenth Century thinking". As the union's strike deadline approached, the carriers increased their offers even further in an attempt to satisfy the union's appetite. On July 7, rather than moving in the direction of a settlement, the union presented a flat demand for at least \$114 million dollars in added labor costs over a 36-month period. The strike followed with its staggering costs to the parties and the public.

On July 29, the carriers and the leadership of the IAM came to a settlement agreement which was even more costly than the carriers' final offers on the eve of the strike. Despite the endorsement of President Johnson and the IAM leadership, the membership rejected it. Fully one-third of the workers did not even bother to vote on the offer while the Nation suffered the loss of most of its air transportation system. In short, the carriers have stretched themselves to the utmost in efforts to cooperate with the law. In response, the rank and file of this union has displayed only intransigence.

Confronted with this impasse, the Committee may fairly ask itself what can Congress do to ease the public suffering and restore common sense to the collective bargaining process. The answer is that Congress can and should arrange for the resumption of essential transportation services and devise an equitable procedure for the termination of the dispute. Such planned Congressional action in major, deadlocked labor disputes was built into the legislative history of the Taft-Hartley Act of 1947. The Act's authors expressly contemplated that, if all mediation and fact-finding devices failed, the Congress should be prepared to devise an *ad hoc* remedy for individual situations. In 1963, when the parties to the railroad dispute were at an absolute impasse and the dispute threatened essential transportation services, the Congress moved swiftly to resolve the dispute and avoid a strike. There is, thus, legislative history and precedent to support Congressional action in this transportation crisis.

Legislation to settle the dispute in the public interest without crippling the parties is the important object. It is not our place to design or require legislation of one particular style or another. We can only suggest that the legislation contain certain key concepts, including prompt restoration of service and a terminal procedure for resolving the collective bargaining impasse. Commendably, the Senate fought its way through these problems to a sensible compromise,

joined in by men of good will of both parties. The product of that debate is before you in the form of S.J. Res. 186. As a spokesman for the management of the five carriers which have everything at stake, we naturally could find many parts of the Resolution inadequate to protect our private interest. Indeed, it is difficult not to be critical of many sections of the Resolution which might otherwise resolve this dispute more expeditiously and with less uncertainty. But we do refrain from such criticism and from attempts at further revision because we recognize that the important thing is to restore service and erect some acceptable procedure for resolution of the dispute.

SUMMARY

At the Committee's invitation, we have addressed ourselves to whether the current dispute threatens the interruption of essential national transportation services. By the testimony of authorities and the demonstration of economic facts, it is evident that such a transportation crisis exists. This crisis is harming the public and both parties to the dispute by crippling a major portion of the air transport industry. Normally, collective bargaining should avoid these crises and resolve all differences before threatening the public interest. Tragically, the collective bargaining process has failed to produce anything but an impasse and a transportation crisis. In the past, the Congress has planned to act in such a situation and has had successful experience in such action. Unfortunately, the time has come for another extraordinary legislative act. In devising legislative action we do not suggest any particular form for the Committee's consideration, but only state that despite many things we find wanting in S.J. Res. 186, we conclude that, in the best interest of promptly restoring service and devising an acceptable settlement procedure, it deserves the Committee's thorough consideration and support.

Thank you for your attention to this serious matter.

APPENDIX A

Below is a list of Congressmen who have expressed their views in the Congressional Record concerning the damage to the public interest caused by the disruption of essential transportation services.

- | | |
|------------------------------|-----------------------------|
| 1. Morris (New Mexico) | 25. Jacobs (Indiana) |
| 2. Fountain (North Carolina) | 26. Andrews (North Dakota) |
| 3. Matthews (Florida) | 27. Fascell (Florida) |
| 4. Duncan (Tennessee) | 28. Dorn (South Carolina) |
| 5. Bolton (Ohio) | 29. Wyatt (Oregon) |
| 6. Curtis (Missouri) | 30. Culver (Iowa) |
| 7. Gross (Iowa) | 31. Tuck (Virginia) |
| 8. Erlenborn (Illinois) | 32. Walker (New Mexico) |
| 9. Kornegay (North Carolina) | 33. Talcott (California) |
| 10. Haley (Florida) | 34. Abernethy (Mississippi) |
| 11. Nelsen (Minnesota) | 35. Cramer (Florida) |
| 12. Devine (Ohio) | 36. Derwinski (Illinois) |
| 13. Jarman (Oklahoma) | 37. Sikes (Florida) |
| 14. Lipscomb (California) | 38. Fisher (Texas) |
| 15. Jonas (North Carolina) | 39. Wright (Texas) |
| 16. Conte (Massachusetts) | 40. Martin (Nebraska) |
| 17. Hanna (California) | 41. Morse (Massachusetts) |
| 18. Younger (California) | 42. Smith (Iowa) |
| 19. Rumsfeld (Illinois) | 43. Ashbrook (Ohio) |
| 20. Rogers (Florida) | 44. Quillen (Tennessee) |
| 21. Howard (New Jersey) | 45. Reid (New York) |
| 22. Hull (Missouri) | 46. Tunney (California) |
| 23. Rivers (South Carolina) | 47. Flynt (Georgia) |
| 24. Bolling (Missouri) | 48. Gurley (Florida) |

APPENDIX B

Order No. E-23963

UNITED STATES OF AMERICA, CIVIL AERONAUTICS BOARD,
WASHINGTON, D.C.

Adopted by the Civil Aeronautics Board at its office in Washington, D.C.,
on the 15th day of July, 1966

DOCKET 17532

IN THE MATTER OF SPECIAL OPERATING AUTHORIZATION TO SUPPLEMENTAL AIR
CARRIERS

ORDER GRANTING SPECIAL OPERATING AUTHORIZATION AND EXEMPTION

Effective 6:00 a.m., Eastern daylight saving time, July 8, 1966, the International Association of Machinists (IAM) struck United, Eastern, National, TWA, and Northwest. This strike continues. The Board in a series of orders¹ has issued special emergency exemption authority to the nonstruck carriers designed to alleviate to the greatest extent possible, the public inconvenience resulting from the strike. Despite these authorizations and the substantial effort of the nonstruck carriers to accommodate the public during this emergency, the capacity for air transportation being offered is insufficient to meet the requirements of the public, particularly in the major markets.²

In Order E-23928, July 9, 1966 the Board among other things, authorized the supplemental air carriers to:

"(a) provide individually-ticketed passenger services, provided that passengers involved hold tickets issued by a certificated combination route air carrier for authorized transportation over its route, at the fares currently in effect pursuant to the tariff of such route air carrier or competing carriers for the same service and under specific arrangements with such carriers."

We are advised that pursuant to this authority the supplemental carriers have attempted to enter into arrangements with the combination carriers, and some such arrangements have been made. However, practical difficulties in consummating the necessary agreements have prevented the supplemental carriers under that exemption from making the most effective contribution of which they are capable to the emergency needs. Under the continuing emergency situation we believe it is now appropriate to grant the supplemental carriers authority to directly engage in individually-ticketed service to the extent hereinafter provided.³ After analyzing the overall market situation we have determined that the greatest need for additional capacity exists in certain major markets. Therefore, we shall authorize the supplemental carriers to perform individually-ticketed service in those markets listed in Appendix A. This special operating authorization should permit the supplemental carriers to provide additional capacity to meet the emergency requirements.

In each of the listed markets 200 or more passengers a day were exchanged as of the third quarter of 1965, and 50% or more of the flights were performed by the struck carriers.

We have not included among the listed markets certain of the major markets in which the non-struck route carriers certificated to serve those markets have increased their capacity. Further, we will not authorize the supplemental carriers to conduct individually-ticketed services in those markets where the local service carriers are now conducting emergency service pursuant to the exemptions previously issued by the Board.

While the listed markets reflect our best judgment, on the information available to us, of the most critical needs, we stand ready to consider additions to,

¹ Orders E-23926, 23927 and 23928.

² Of course, we have recognized from the outset that there were no means of meeting satisfactorily the bulk of the emergency needs. With the continuation of the strike, additional action has become necessary.

³ We should anticipate that it would continue to be in the economic interest of the carriers, as well as best suit the convenience of the public, for the carriers to operate so far as possible under the original terms of E-23928.

or deletions from the authority being granted by this order on the basis of matters presented at the hearing ordered herein, or upon specific application. We will, of course, continue to monitor the situation and will make changes on our initiative where necessary.

Because of the emergency nature of the situation and the obvious time limitation, we shall exempt the supplementals from the requirements of section 403 of the Act, provided that the rates charged by the supplementals are equal to those currently in effect for the struck carriers or the competing carriers for the same classes of services. In addition, we shall require the supplemental carriers to submit to the Board a daily report setting forth relevant traffic data with respect to any operations conducted pursuant to this order.

Based upon the foregoing facts and circumstances, the Board finds that the capacity for air transportation being offered by the holders of certificates of public convenience and necessity between the pairs of points listed in Appendix A of this order will be temporarily insufficient to meet the requirements of the public and that supplemental air carriers can provide additional service temporarily required in the public interest. Accordingly, the Board will issue to such supplemental air carriers special operating authorizations to engage in air transportation between such points, upon the terms and conditions set forth herein. The Board further finds that to provide for notice and protest of such special operating authorizations by air carriers certificated to provide service between the points involved, would unduly delay issuance of such special operating authorizations, taking into account the degree of emergency involved. However, we shall afford interested parties an opportunity to present their views orally before the Board on July 21, 1966;³ however, any notice of objection or protest which is filed will not stay the effectiveness of this order.

The Board further finds that the enforcement of the provisions of Section 403 of the Act and the Board's regulations thereunder, would be an undue burden upon the class of air carriers named herein by reason of the unusual circumstances affecting their operations and is not in the public interest.

ACCORDINGLY, IT IS ORDERED THAT:

1. All supplemental air carriers holding currently effective certificates of public convenience and necessity or interim certificates or operating authorizations be and they hereby are granted special operating authorizations to engage in individually-ticketed air transportation of persons between the pairs of points named in Appendix A, attached, subject to the condition that the fares charged for such transportation are equal to those currently in effect in the markets for the same types of service;

2. All supplemental carriers be and they hereby are exempted from the tariff filing requirements of Section 403 of the Act and the Board's regulations thereunder, for the services authorized herein;

3. All supplemental carriers providing services pursuant to the special authorization granted herein shall file by telegram on a daily basis, with the Director, Bureau of Operating Rights, a report showing for each market (a) the number of flights operated, (b) aircraft type utilized (c) the number of passengers carried, and (d) number of tickets sold by the supplemental carrier or by another air carrier or travel agent;

4. Any interested persons objecting to any provision of this order will be afforded an opportunity to present their objections orally to the Board on July 21, 1966; and as a result of such objections, if any, the Board will make such modifications or amendments to this order as are deemed appropriate, *provided* that any objections shall not stay the effectiveness of this order;

5. This order shall become effective immediately and shall remain effective for 30 days unless extended or sooner terminated by further Board order;

6. This order may be amended or revoked as to individual markets, carriers or otherwise, at any time in the discretion of the Board without notice or hearing;

7. This order shall be served on all certificated air carriers and the Federal Aviation Agency.

This order will be published in the Federal Register.

By the Civil Aeronautics Board:

[SEAL]

HAROLD R. SANDERSON,
Secretary.

³ Persons wishing to object shall notify the Chief Examiner no later than 4 p.m., July 20, 1966.

EXHIBIT A

CITY PAIRS

Group 1.—Struck carriers provide 100% of flights:

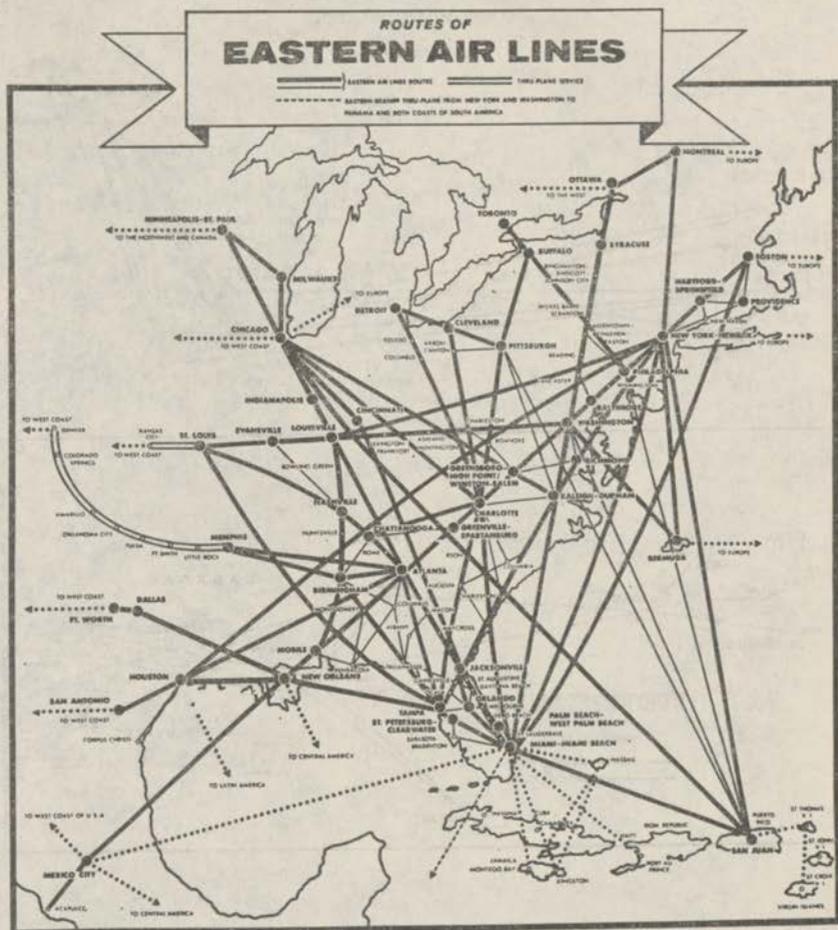
Chicago, Ill.	Cleveland, Ohio
Chicago, Ill.	Philadelphia, Pa.
Chicago, Ill.	Pittsburgh, Pa.
Minneapolis, Minn.	New York, N.Y.
Chicago, Ill.	Seattle, Wash.
Denver, Colo.	New York, N.Y.
Chicago, Ill.	Columbus, Ohio
Detroit, Mich.	Los Angeles, Calif.
Baltimore, Md.	Chicago, Ill.
Chicago, Ill.	Dayton, Ohio
Detroit, Mich.	Washington, D.C.
Indianapolis, Ind.	New York, N.Y.
San Francisco, Calif.	Washington, D.C.
Pittsburgh, Pa.	Washington, D.C.
Detroit, Mich.	Philadelphia, Pa.
Kansas City, Mo.	New York, N.Y.
Milwaukee, Wis.	New York, N.Y.
Dayton, Ohio	New York, N.Y.
New York, N.Y.	Seattle, Wash.
Charlotte, N.C.	New York, N.Y.
Cleveland, Ohio	Philadelphia, Pa.
Boston, Mass.	San Francisco, Calif.
Chicago, Ill.	Des Moines, Iowa
New York, N.Y.	Norfolk, Va.
Cleveland, Ohio	Washington, D.C.
Chicago, Ill.	Las Vegas, Nev.
Miami, Fla.	Pittsburgh, Pa.
Detroit, Mich.	Pittsburgh, Pa.
Los Angeles, Calif.	Pittsburgh, Pa.
Chicago, Ill.	Portland, Oreg.
Philadelphia, Pa.	San Francisco, Calif.
Hartford, Conn.	Chicago, Ill.
Denver, Colo.	Seattle, Wash.
Greensboro, N.C.	New York, N.Y.
Detroit, Mich.	Milwaukee, Wis.
New York, N.Y.	Raleigh, N.C.
Minneapolis, Minn.	Washington, D.C.
Detroit, Mich.	San Francisco, Calif.
Cleveland, Ohio	Miami, Fla.
Milwaukee, Wis.	Minneapolis, Minn.
Cleveland, Ohio	Pittsburgh, Pa.
St. Louis, Mo.	Washington, D.C.
New York, N.Y.	Richmond, Va.
San Francisco, Calif.	St. Louis, Mo.
Fresno, Calif.	Los Angeles, Calif.
Los Angeles, Calif.	Miami, Fla.
Detroit, Mich.	Minneapolis, Minn.
Chicago, Ill.	Rochester, Minn.
Boston, Mass.	Pittsburgh, Pa.
Chicago, Ill.	Toledo, Ohio
Chicago, Ill.	Salt Lake City
Columbus, Ohio	Washington, D.C.
Atlanta, Ga.	Nashville, Tenn.
Detroit, Mich.	St. Louis, Mo.

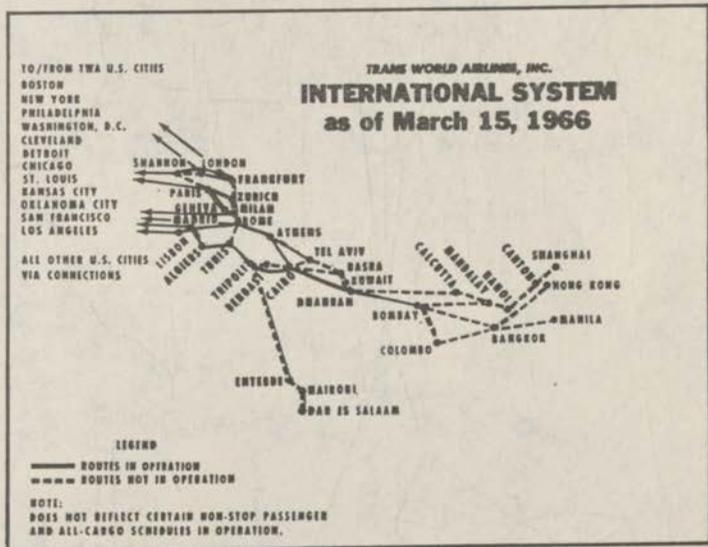
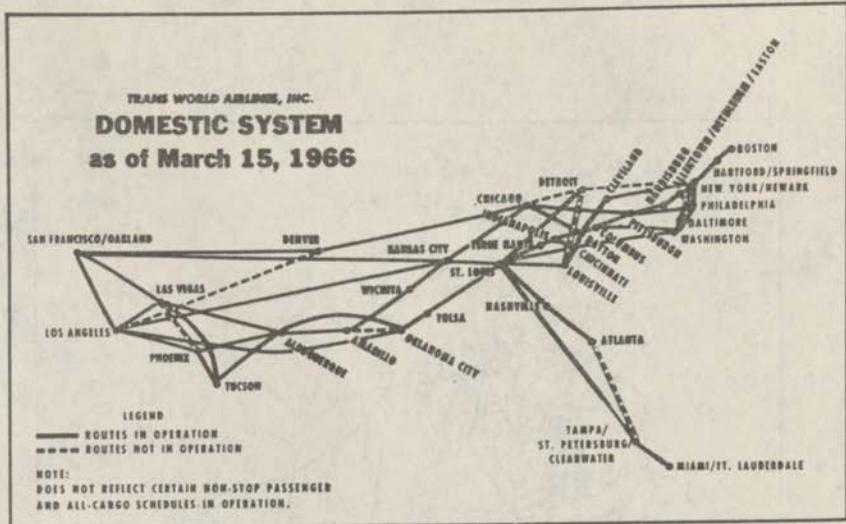
Group 2.—Struck carriers provide more than 50% and less than 100% of flights:

Boston, Mass.	New York, N.Y.
Chicago, Ill.	New York, N.Y.
New York, N.Y.	Washington, D.C.
Los Angeles, Calif.	New York, N.Y.
Detroit, Mich.	New York, N.Y.
Chicago, Ill.	Los Angeles, Calif.
New York, N.Y.	San Francisco, Calif.
Cleveland, Ohio	New York, N.Y.
New York, N.Y.	Pittsburgh, Pa.
Chicago, Ill.	San Francisco, Calif.
Seattle, Wash.	San Francisco, Calif.
Boston, Mass.	Chicago, Ill.
Los Angeles, Calif.	Seattle, Wash.
Chicago, Ill.	Denver, Colo.
Chicago, Ill.	Washington, D.C.
Atlanta, Ga.	New York, N.Y.
New York, N.Y.	St. Louis, Mo.
Chicago, Ill.	Miami, Fla.
Portland, Oreg.	San Francisco, Calif.
Los Angeles, Calif.	Sacramento, Calif.
Kansas City, Mo.	St. Louis, Mo.
Los Angeles, Calif.	Washington, D.C.
Atlanta, Ga.	Chicago, Ill.
Denver, Colo.	San Francisco, Calif.
Baltimore, Md.	New York, N.Y.
Houston, Tex.	New York, N.Y.
Columbus, Ohio	New York, N.Y.
Los Angeles, Calif.	Kansas City, Mo.
Las Vegas, Nev.	San Francisco
Chicago, Ill.	Louisville, Ky.
Los Angeles, Calif.	Portland, Oreg.
Houston, Tex.	Los Angeles, Calif.
New Orleans, La.	New York, N.Y.
Atlanta, Ga.	Miami, Fla.
Los Angeles, Calif.	St. Louis, Mo.
San Francisco, Calif.	Salt Lake City
Spokane, Wash.	Seattle, Wash.
New York, N.Y.	Louisville, Ky.
Chicago, Ill.	Tampa, Fla.
Atlanta, Ga.	Jacksonville, Fla.
Chicago, Ill.	Grand Rapids, Mich.
Chicago, Ill.	Moline, Ill.
Atlanta, Ga.	Tampa, Fla.
Baltimore, Md.	Los Angeles, Calif.
Baltimore, Md.	Boston, Mass.
Fresno, Calif.	San Francisco, Calif.
Richmond, Va.	Washington, D.C.

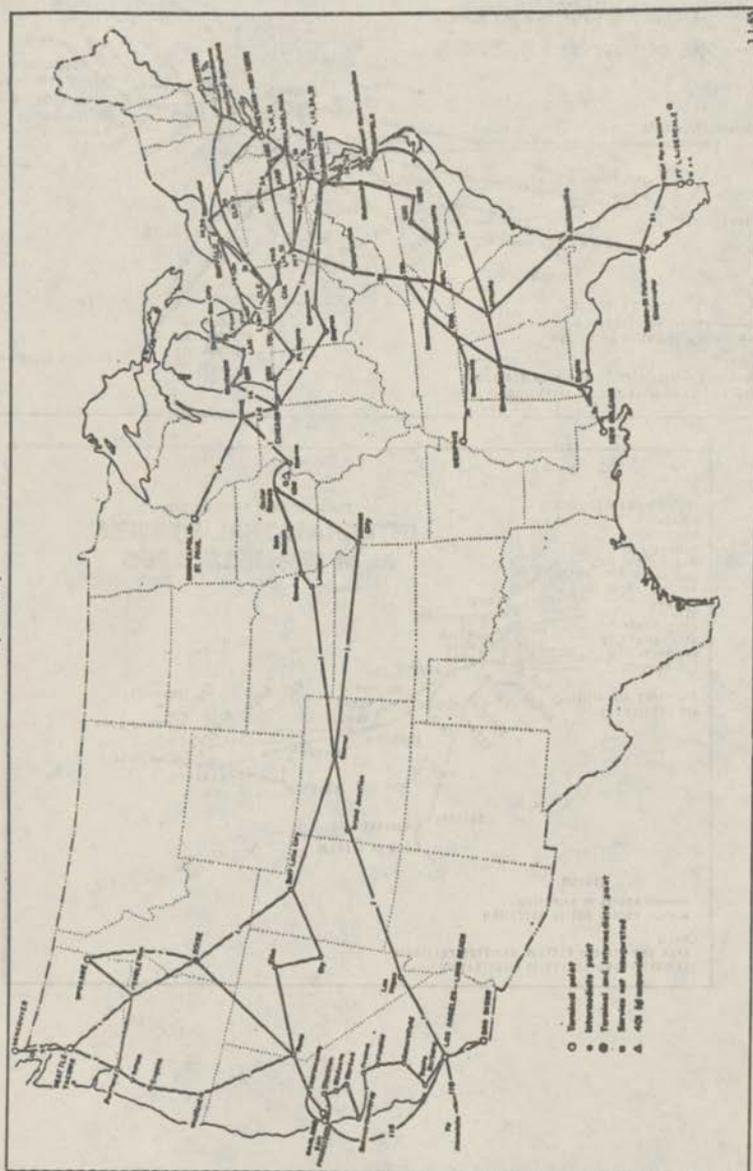
APPENDIX C

Attached are the route maps of the five airlines parties to the current airlines dispute, including Eastern, National, Northwest, Trans World, and United. These maps indicate the routes and cities which are not being served by the five carriers as a result of the strike.





UNITED AIR LINES, INC.
System Map



APPENDIX D

LIST OF 87 DOMESTIC CITIES IN WHICH 50% OR MORE OF ALL SCHEDULED AIR PASSENGERS HAD BEEN USING SERVICES OF THE FIVE CARRIERS

(3rd Quarter, 1965 Traffic Data)

100 PERCENT DEPENDENCY

Allentown, Pa.	EA, TW, UA
Bowling Green, Ky.	EA
Bozeman, Mont.	NW
Daytona Beach, Fla.	EA, NA
Elko, Nev.	UA
Ely, Nev.	UA
Fort Myers, Fla.	NA
Gainesville, Fla.	EA
Jamestown, N. Dak.	NW
Key West, Fla.	NA
Melbourne, Fla.	EA, NA
Merced, Calif.	UA
Missoula, Mont.	NW
Modesto, Calif.	UA
Ocala, Fla.	EA
Pensacola, Fla.	EA, NA
Rome, Ga.	EA
Sarasota, Fla.	EA, NA
Tallahassee, Fla.	EA, NA
Vero Beach, Fla.	EA
Visalia, Calif.	UA
Waycross, Ga.	EA

90-99 PERCENT DEPENDENCY

Fargo, N. Dak. (90.0)	NW
Flint, Mich. (91.0)	UA
Greenville, S.C. (90.4)	EA
Mobile, Ala. (97.8)	EA, NA, UA
Pendleton, Oreg. (94.5)	UA

80-89 PERCENT DEPENDENCY

Baltimore, Md. (80.0)	EA, NA, TW, UA
Charlotte, N.C. (84.0)	EA, UA
Fort Wayne, Ind. (87.1)	UA
Grand Forks, N. Dak. (84.5)	NW
Newport News, Va. (89.9)	NA, UA
Norfolk, Va. (86.8)	NA, UA
Pittsburgh, Pa. (82.8)	EA, NW, TW, UA
Raleigh, N.C. (89.1)	EA, UA
Richmond, Va. (80.1)	EA, NA, UA
Saginaw, Mich. (86.0)	UA
Spokane, Wash. (82.0)	NW, UA
Tampa, Fla. (81.5)	EA, NA, NW, TW, UA
Toledo, Ohio (88.5)	EA, NA
Youngstown, Ohio (89.1)	UA

70-79 PERCENT DEPENDENCY

Akron, Ohio (79.5)	EA, UA
Boise, Idaho (75.8)	UA
Dayton, Ohio (72.4)	TW, UA
Grand Rapids, Mich. (70.0)	UA
Greensboro, N.C. (79.2)	EA, UA
Jacksonville, Fla. (77.7)	EA, NA, UA
Lansing, Mich. (73.8)	UA
Miami, Fla. (79.7)	EA, NA, NW, TW, UA
Moline, Ill. (71.6)	UA
Muskegon, Mich. (78.8)	UA
Orlando, Fla. (73.5)	EA
Philadelphia, Pa. (75.0)	EA, NA, NW, TW, UA
Portland, Oreg. (74.2)	NW, UA
Reno, Nev. (72.2)	UA
Rochester, Minn. (77.7)	NW
Seattle, Wash. (77.0)	NW, UA
Stockton, Calif. (72.1)	UA
West Palm Beach, Fla. (70.5)	EA, NA, UA

60-69 PERCENT DEPENDENCY

Bismarck, N. Dak. (66.6)	NW
Cedar Rapids, Iowa (69.6)	UA
Charleston, S.C. (64.2)	EA, NA
Cleveland, Ohio (69.4)	EA, NW, TW, UA
Columbus, Ohio (67.9)	EA, TW, UA
Des Moines, Iowa (60.4)	UA
Fresno, Calif. (66.4)	UA
Hartford, Conn. (64.0)	EA, TW, UA
Milwaukee, Wis. (64.1)	EA, NW, UA
Minneapolis, Minn. (61.0)	EA, NW, UA
New York, N.Y./Newark, N.J. (62.5)	EA, NA, NW, TW, UA
Omaha, Nebr. (62.7)	UA
San Francisco, Calif. (61.9)	NA, TW, UA
Washington, D.C. (67.5)	EA, NA, NW, TW, UA

50-59 PERCENT DEPENDENCY

Albuquerque, N. Mex. (53.5)	TW
Bakersfield, Calif. (50.1)	UA
Boston, Mass. (58.7)	EA, NA, TW, UA
Charleston, W. Va. (55.6)	EA, UA
Chattanooga, Tenn. (58.7)	EA, UA
Chicago, Ill. (54.8)	EA, NW, TW, UA
Helena, Mont. (58.3)	NW
Huntsville, Ala. (58.0)	EA, UA
Indianapolis, Ind. (57.1)	EA, TW
Louisville, Ky. (56.8)	EA, TW
Madison, Wis. (55.4)	NW
Panama City, Fla. (50.6)	NA
Sacramento, Calif. (54.8)	UA
St. Louis, Mo. (51.1)	EA, TW

Source: Civil Aeronautics Board, *Competition Among Domestic Air Carriers*, 3rd Quarter, 1965 (latest published data).

Mr. WILLIAM CURTIN. I would point to a few of the principal points.

Mr. YOUNGER. Mr. Chairman, will the gentleman identify the two associates at the table?

Mr. WILLIAM CURTIN. Yes, Mr. Congressman, this is Mr. Richard C. Hotvedt, an associate of mine in the law firm of Morgan, Lewis & Bockius, and Mr. Thomas D. McCann, an associate of mine.

Mr. YOUNGER. Thank you.

Mr. WILLIAM CURTIN. The first matter which is treated in the prepared statement submitted to the committee relates to the statutory task posed in Senate Joint Resolution 186. I think that the testimony of Secretary Wirtz on this point was not only clear, but conclusive, and that is that the test which is in the bill is the same test which appears now in the Railway Labor Act and by the action of the Chief Executive in April of this year it is clear that this dispute meets that test, that statutory test.

I would, however, like to supplement the statement presented here so far as to impact of this 32-day strike on this industry and on the public.

Air transportation has become the dominant mode of intercity passenger travel on common carriers. To be precise, 59 percent of movement in intercity by common carriers takes place by air.

Shortly before this strike began the average daily number of passengers being carried by these 5 carriers was in excess of 150,000 persons per day. In 1965, these 5 carriers alone performed more than 30 billion revenue passenger miles. They served a combined total of 231 cities and 23 foreign countries. They operated in the largest and most important airline markets in the country.

In many markets they provided the only air service available. Indeed, in 54 major city pairs these carriers provided 100 percent of the flights, as indicated by the order of the CAB issued on July 15, a copy of which is attached to the statement.

A survey of the 100 top markets in the country shows that 65 of them lost between 50 and 100 percent of their air transportation.

Mr. FRIEDEL. Could you tell us what page you are reading from?

Mr. WILLIAM CURTIN. Yes, sir; I am on page 7 of the statement at this time.

Mr. FRIEDEL. Page 7?

Mr. WILLIAM CURTIN. Yes, sir; the first full paragraph.

Among the major cities most severely damaged are Tallahassee in the State of Florida, which has no air service, Mobile, Ala., which has lost 98 percent of its trunkline service, Flint, Mich., which has lost 91 percent of its service, and Baltimore, Pittsburgh, Richmond, and Toledo, all of which have lost more than 80 percent of their trunkline service.

Some 87 cities have been deprived of 50 percent or more of their normal air transportation service, and a summary of those cities is attached as Appendix D to the statement.

Mr. DINGELL. Mr. Chairman, it is very difficult for the members of the committee to follow the statement. Perhaps he could indicate the page from which he is reading.

Mr. WILLIAM CURTIN. I will be glad to do that, Mr. Dingell.

I would then refer you to page 12 of the statement. Questions have been asked with regard to the profits or rate of return on investment in this industry, and we have prepared figures which indicate the rate of return on investment of the five carriers.

Beginning in 1956 the Civil Aeronautics Board studied airline fares, earnings, and costs. The Board recommend that, to pay good wages, maintain safe conditions, and meet the needs for continuing equipment changes, airline carriers such as these should be receiving an annual average rate of return on investment of 10.5 percent.

It was also indicated that that was to be over a period of time. That CAB study was concluded and published in 1960 when the carriers were earning a 3.5-percent rate of return.

In subsequent years this dropped and then climbed gradually through such figures as 0.8 percent, 4.2 percent, 5.3 percent, 9.6 percent, and only in the last year 12.3 percent. Over the 6-year period since the CAB delivered its 10.5 percent rate on investment formula, these five carriers have earned barely more than half that figure or an average of 6.4 percent annually.

It is important to realize, as did the Presidential Emergency Board No. 166, that despite this inadequate, long-term profit performance, this industry consistently paid top-class wage rates, then and now.

I direct the attention of the committee to page 13-A, which relates to further impact felt by this strike.

These five carriers, which as you know comprise more than 60 percent of the domestic trunk industry of this Nation, have suffered revenue losses of more than \$256 million through yesterday. The strike has compelled the carriers to lay off as many other employees, union and nonunion, as the union called on strike. The wages lost by these employees amount to about \$2 million every day or \$64 million for the strike through yesterday, the strike period through yesterday. These are dollars which are not now flowing through the economy. The loss of revenue to cities we serve is also serious. Every report we receive from cities like Miami, Chicago, San Francisco, Los Angeles, New York, and Minneapolis-St. Paul tells of daily six-figure losses and greater to businesses related to our transportation system. New York's losses, well published, in travel and related businesses, are about \$750,000 per day, and the corresponding Miami losses are about \$1,400,000 per day. When lost airline expenditures for wages and supplies are added in the Miami area report, it has lost \$2 million per day, which is a total of \$64 million through yesterday.

The economic loss does not only hit at the private economy; it also hits the treasuries of Federal, State, and local governments, because the parties, if working, would be yielding approximately $1\frac{3}{4}$ of a million dollars daily in tax revenues to the various levels of government, which means that about \$56 million in tax revenues have been cut off from government so far.

I would like to turn now to a brief history of the development of this dispute and its present status, because it has become quite clear that the members of this committee are interested in the development of the collective bargaining process in this dispute, or its failure, and I do not have, I am not going to be referring to any particular part of the statement here. I would first like to clear the record at least insofar as my own opinion is concerned with regard to the guidelines problem, because it has been a disturbing influence in terms of the testimony and the questions asked here so far. On June 8 of this year the Emergency Board report was submitted to the parties in this dispute. We costed that Board report based on our figures to provide for an annual average increase on a guidelines basis, which is wages and fringes, of 3.6 percent annually.

The carriers accepted the recommendation of the Emergency Board and at that time and I think for all time the issue of whether or not

the guidelines—a decimal point concept were a deterrent to the progress of these negotiations disappeared. I do not wish to leave the members of this committee with the impression that the carriers, or the Government representatives, or the union for that matter, I am sure, were not conscious at all times of the fact that we were engaged in a highly advisable collective bargaining process on which we were on notice to the Nation as to the kind of results that would come out of this contract negotiation, and that we were conscious of the impact which we as a small group of employers with a relative handful of employees could have upon the stabilization programs and policies of this Nation, which I think we both agree are very important, because not only are the airlines concerned about the impact, but the union has a number of pensioners who are enjoying years of retirement under the union pension program, and I cannot believe that they are not fully concerned about what inflation can do to those people. We are concerned about problems of inflation and I am sure the union is, too.

But in any event, in mid-June we accepted that Emergency Board report, which took us to a position beyond the guidelines.

We negotiated with very considerable help of the Labor Department representatives until July 8 when this strike began. Before the strike began the carriers made an additional offer in an attempt to avert the strike.

Mr. FRIEDEL. Above the 3.6?

Mr. WILLIAM CURTIN. Above the 3.6, yes, Mr. Chairman. We were disappointed that it was not sufficient to avert the strike, but it again indicates that there was no guideline deterrent in the picture, and that the Government representatives were being helpful to us as mediators and not sitting on us making it impossible for us to reach agreement.

After the strike occurred, the carriers made two or three offers in excess of the offer presented immediately before the strike that went beyond, further beyond the guidelines at that time in attempting to settle the strike. And of course the settlement which was reached on July 29 was substantially in excess of the guidelines. Our figures in that respect are that the average annual increased cost to these carriers would be 4.7 percent, so that we are considerably above any guideline figure at that point, and we were in excess of 13 percent, that settlement would have cost us in excess of 13 percent above the Emergency Board recommendations.

Now I suppose that everyone in this room is disappointed that the settlement which we reached that evening was not ratified by the rank and file. I would not presume to advise this committee as to why I think it failed of ratification. I can say that I am personally persuaded that the leadership of this union did do what it could do to obtain ratification.

It felt that it had reached an honorable and a generous settlement of the dispute on July 29, and that it recommended earnestly to its membership that there be ratification of the contract reached by the negotiators. I point to the two telegrams which have been introduced into the record this morning by Mr. Siemiller. Those telegrams were not only descriptions, and fair descriptions of the facts of the agreement reached, but they contain strong admonitions to the representa-

tives of the international union to secure ratification and to recommend it heartily. There is a statement in those telegrams to the effect that this is the best contract ever negotiated by this union in the airlines industry. It is that flat. There is a strong statement in those telegrams to the effect that if the membership do not accept this generous contract settlement, then in those circumstances, they can expect congressional action.

Now, I think that that goes above and beyond the pale of duty in terms of the international leadership of this union making a strong recommendation to its membership that they accept the best job which could be accomplished by the parties at the negotiating table. They did that. Nevertheless, we saw a 3 to 1 rejection of that strong and I am persuaded bona fide recommendation by this international union. I do not know who was more disappointed, Mr. Siemiller or myself, but we were both very disappointed with the result. The fact is that now we find ourselves a week later advising this committee, perhaps for two different reasons, that we do not think that collective bargaining will work at this time.

Mr. Siemiller in fairness to his statements, I do not wish to misconstrue it to you at all, as I understand it has stated to you that it won't work while Congress is considering legislative action. I say to you that in these circumstances, after a 32-day strike, it won't work until Congress has acted and this union is placed in a position of asserting its leadership to this membership. It has warned this membership of the consequences of an irresponsible rejection of a generous package. I suggest that it is depending on the carriers that legislative action in this particular case and for this particular case only is the answer to the dilemma in which we find ourselves.

You have urged upon us, the chairman and many of the members of this committee, you have urged upon us that we return to the collective bargaining table. We returned there yesterday. And I do not mean to suggest now for a moment that efforts were not made every day and every night since the rejection of this contract of last week.

Efforts were made by the Secretary of Labor and by the Assistant Secretary of Labor to find a basis, a real basis, a realistic basis for a resumption of collective bargaining talks. I know that they talked to me innumerable times, and I am sure that the same is true with respect to the union leadership. But there was no realistic basis, there was no realistic basis for returning to the table.

The union, Mr. Siemiller testified this morning that he brought into Washington his district leaders and his local union presidents of the 12 of the principal lodges involved in this dispute. Apparently—I say apparently because I do not really know, but apparently—over the weekend, in response to requests of this committee, and I am sure of the Secretary of Labor, and undoubtedly in response to their own self-interest and our mutual interest in this matter, they developed what their position is as of this time, after that rejection, and that was presented to us directly for the first time yesterday afternoon. That position, gentlemen, is that in order to settle this strike at this time and with no assurance of ratification, because the international leadership points out quite correctly that they cannot guarantee ratification, and at this time their position is that we would have to agree to a

contract which would cost these five carriers \$112,800,000, excuse me, \$112,387,000. That compares to a contract settlement for the same period of \$73.4 million. That is the settlement which we reached at the Executive Office Building a week ago. That is 74 percent above the Emergency Board recommendations, and we are not prepared to settle on that basis, and I would be surprised if the union would testify to you that they expected us to settle on that basis.

We are not only not prepared to settle on that basis, but we cannot bargain on that basis. We cannot say we reached a week ago a settlement which every man in the room felt was a fair, not only a fair settlement, but a generous settlement, one which reflected that this union had demonstrated its economic strength for over 3 weeks, and that this industry had felt the impact of that economic strength for over 3 weeks.

In those circumstances we reached an agreement which would have cost \$73.4 million, and now we find ourselves a week later told that despite what we all thought was a settlement that not only was fair and generous but would be accepted by the membership, that now the price for settlement at the bargaining table, with no assurance of ratification, is over \$112 million. Neither of us, neither set of negotiators wants to leave this committee room, I am sure, or this committee with the impression that we are not willing to return to the collective bargaining table and to make our best efforts, but in those circumstances there are no efforts possible which can lead us to reaching an agreement. That is exactly the spot that we are in today, and it is only because we are in this spot that these five carriers are saying to Congress for the first time, and we are saying it for the first time, only after that rejection, only after that failure of ratification by the membership, that we think legislation is the solution.

The question of legislation has been discussed in speeches on the Hill for at least a week, and perhaps longer before we reached our agreement at the Executive Office Building.

These carriers never asked for legislation at that time. Our preference always is to settle this problem by collective bargaining. But we tell you that today, and this week, after the experience that we have been exposed to with the failure of ratification, that we do not regard the prospects for settlement at the collective bargaining table as realistic, and if we had the slightest doubt in our minds, it was removed yesterday afternoon when the union, and I am sure in good faith, told us what it regarded as the minimum settlement which they could reach at the bargaining table under these circumstances.

What are the prospects, then, if the bill, Senate Joint Resolution 186 is passed? It is a bill which does not provide for compulsory arbitration. I think we are diverted from the real thrust of the bill if we suggest that it does. I think that the legislative intent of the Senate is abundantly clear on that point. They rejected by an 81 to 6 vote the Lausche amendment which provided for a compulsory arbitration substitute. I think it is a bill which contemplates the collective bargaining process taking effect.

That is what it is talking about for 180 days, or a period short of 180 days. It is a collective bargaining bill. What it says, return this situation to sanity. Get these carriers operating. Protect the public

interest. Get these employees back on the job so that reason can prevail at the bargaining table and not just a tug of war, a pitting of economic factors against each other. We have no interest at all in winning this fight by starving out our employees, and I hope and I am sure that this union has no interest at all in winning this fight by crippling over 60 percent of the Nation's domestic trunkline industry, and that is where we are today. We are in that kind of a bitter struggle, and it is because of the facts and the situation in which we find ourselves today that these five carriers are saying to you, despite reservations as to particular parts of Senate Joint Resolution 186, that we urge this committee to report that bill out and have Congress take prompt action on it, so that the facilities can begin to operate again, so that the employees are back to work, and so that we can resume collective bargaining in a rational atmosphere.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Curtin. I would like to ask you this. I think you can answer this without violation of any confidence.

Has your organization made any new offer to the union since the White House agreements?

Mr. WILLIAM CURTIN. No, sir; we have not.

The CHAIRMAN. Have they made any new offers to you?

Mr. WILLIAM CURTIN. Well, it depends upon your definition of new offer, but they did make an offer yesterday afternoon. They told us what it would take to settle it, yes.

I think, if I may, to put my response in context, the collective bargaining context, you might say, we reached an agreement which the carriers accepted and the union rejected. The next logical step after that is for the union to tell the carriers what its position is now. They did that yesterday afternoon, so that there is a new offer on the table from the union in that sense, and it is an offer which, as I have indicated, exceeds \$112 million, without attributing any cost to a cost-of-living escalation provision, which could be considerably costly, but there is no way to estimate that or to determine that.

The CHAIRMAN. As I understand it, dating back to the original offer; is that right?

Mr. WILLIAM CURTIN. Basically, the cost of the original offer. The cost of the position stated by them when they went on strike July 7 was about \$114 million, and this is in excess of \$112 million, so I think that is what Mr. Siemiller is testifying, that they are back to about the cost—some of the details are different, but the cost of the package is about the same.

The CHAIRMAN. What I am trying to do, and my time is almost up, that you did have an agreement at one time between the principals?

Mr. WILLIAM CURTIN. Yes, sir.

The CHAIRMAN. Going from that, going back to the original, if you had made a further offer or if they had after the agreement had been reached, if they had come back to you and tried to get a compromise, I just wondered from the original agreement reached at the White House if you have made an additional offer beyond that, or if they have asked you for additional things based on that agreement at the White House?

Mr. WILLIAM CURTIN. I think I am going to be responsive when I say no to that question.

The CHAIRMAN. On which side, or both sides?

Mr. WILLIAM CURTIN. Yes, though I say they have made an additional offer in the sense of the one I have described.

The CHAIRMAN. I understand.

Is not collective bargaining in its pure sense making offers and compromises?

Mr. WILLIAM CURTIN. Yes, it is, making offers and counteroffers.

The CHAIRMAN. On both sides?

Mr. WILLIAM CURTAIN. When you are talking in terms of reason it seems to me, sir.

The CHAIRMAN. By both sides?

Mr. WILLIAM CURTIN. Yes, sir, on both sides, and we made offers and counteroffers to each other. That is how we got to the agreement which was reached at the White House, exactly.

The CHAIRMAN. Evidently that did not stand up. Would it not be reasonable if you are going to continue collective bargaining that other offers be made in an effort to compromise?

Mr. WILLIAM CURTIN. It is reasonable to assume that offers and counter offers will be made, but it is also reasonable to assume that you must be talking in an area of the settlement. If \$73 million was the settlement which we thought across the bargaining table was a reasonable, fair, honest, generous settlement for this industry, one which the union could characterize as the best ever in this industry, we think that it is unreasonable now to be faced with a demand for \$112 million.

The CHAIRMAN. In my mind that still does not prohibit the other side from making some kind of an offer. Maybe they have gone beyond what you think is reasonable.

Mr. WILLIAM CURTIN. That is right.

The CHAIRMAN. But I do not see where, if you are going to have any kind of a settlement, that there are not counteroffers.

Mr. WILLIAM CURTIN. Yes, in the sense that collective bargaining has been my business for some time, I can tell you that the kind of offer that this position elicits at the bargaining table is a recession, is a withdrawal from a prior position by employers. That is what happens ordinarily in these circumstances. We are not doing it.

The CHAIRMAN. Do you know, and I should have asked this of Mr. Siemiller, how many of the men have other jobs today, do you know?

Mr. WILLIAM CURTIN. I do not know. It is a period of full or high employment and I expect that a considerable number of them have other jobs today, whether on a temporary or permanent basis we just do not have any idea.

The CHAIRMAN. You said you had some reservations on certain parts of the bill and I am not sure if you gave them when I was not here.

Mr. WILLIAM CURTIN. Yes, sir. What I said, Mr. Chairman, is reflected—

Mr. NELSEN. Mr. Chairman, if I may just interrupt before we leave the trend of thought that you were pursuing, I think Mr. Siemiller mentioned that there is give and take in negotiations, and he has indicated their position which you feel is going too far.

Now have you had any indication that if you submit another proposal separate and apart from what was agreed on earlier, have you

any indication from Mr. Siemiller that this would be submitted here, a new proposal would be submitted to the membership of the union?

Mr. WILLIAM CURTIN. No, sir.

Mr. NELSEN. You have no assurance of that whatever. Is this a deterrent?

Mr. WILLIAM CURTIN. An additional offer by us to be submitted?

Mr. NELSEN. Yes. If you had an additional offer to make, have you any assurance that it would be submitted to a vote by the membership of the Machinists' Union?

Mr. WILLIAM CURTIN. No, sir.

Mr. NELSEN. Is this a deterring factor in presenting a new proposal as far as you are concerned, feeling that perhaps it will not even be submitted to the membership for a vote?

Mr. WILLIAM CURTIN. Congressman Nelsen, not really, because we are not interested in having offers submitted to the membership. The position we have taken throughout the negotiation is that we wish to reach a settlement at the bargaining table with the union representatives of our employees so that they can take that settlement, that contract out with a recommendation.

Mr. NELSEN. I understand.

Thank you, Mr. Chairman.

Mr. WILLIAM CURTIN. The point I was attempting to make, Mr. Chairman, is reflected on pages 16 and 17 of the statement which I have submitted to the committee. Essentially it is this: that we think that the best resolution of this dispute now is legislation, and we endorse Senate Joint Resolution 186. We think that there is much more to be lost by the time which could be taken in terms of perhaps trying to get a bill which would be more acceptable to management.

For example, certainly management feels that on the basis of this dispute only, and I limit all of my remarks to this dispute only, legislation for this dispute only, that it would be better if there was a more clear statement that this dispute would be finally resolved, that there would be a final determination under the bill. We are not asking you to do that. We are endorsing 186 because we think that that is a compromise which was worked out after a great deal of discussion and hard work in the Senate, and we commend it to you.

The CHAIRMAN. What you are asking them is that it be worked out finally under compulsory arbitration?

Mr. WILLIAM CURTIN. That is one way to have a final determination of the dispute, yes, sir, what is labeled compulsory arbitration.

The CHAIRMAN. That is all the questions I have.

Mr. Friedel.

Mr. FRIEDEL. Mr. Curtin, how far are you apart, both sides? You mentioned the figures there, \$112 million something or \$73 million. Now are you \$45, \$49, or \$50 million apart?

Mr. WILLIAM CURTIN. Mr. Friedel, we are about \$38 million apart not attributing any cost to the cost-of-living proposal or demand of the union; yes, sir.

Mr. FRIEDEL. \$112 million?

Mr. WILLIAM CURTIN. No, I am sorry: we are apart \$38 million.

Mr. FRIEDEL. You are apart \$38 million?

Mr. WILLIAM CURTIN. And in addition to that, whatever the cost under the agreement would be of a cost-of-living provision.

Mr. FRIEDEL. One of the things that was brought out very clearly that the union has turned down was the first 18 months, and I want an answer from you, and I think that has to be considered this afternoon, trying to consider January 1, 1967, 1968, and 1969. Will you give that consideration?

Mr. WILLIAM CURTIN. Yes, sir. We will give that great consideration.

Mr. FRIEDEL. You are in favor of this bill?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. FRIEDEL. I want to mention a proposed amendment, and not from me, that is going to be considered. It would provide that "when the emergency legislation provided for in 186 was put into effect, the President will appoint a receiver for each airline coming under the act. The receiver will take charge of all receipts coming into the hands of the airlines. He would disburse all necessary expenses of operation and nothing else. He would impound all other moneys until the strike was settled, after which they would be used as provided in the settlement agreement for return to the airlines." In other words, this is practically a seizure clause?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. FRIEDEL. Would you be in favor of that?

Mr. WILLIAM CURTIN. No, we would oppose that, sir, as the union would.

Mr. FRIEDEL. In other words, this bill would make them come back to work?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. FRIEDEL. On the other hand, there would be no restrictions on the airlines?

Mr. WILLIAM CURTIN. There would be tremendous pressure on the airlines, if that is what you mean, Congressman Friedel, because we would have ourselves a very unhappy situation with employees who are not working under an agreement. We are very conscious of that, and I can assure you that it is not the intent of these five carriers to see a bill enacted and then to go home for 6 months or something. We are going to be right back at the bargaining table trying to find a solution to this problem.

Mr. FRIEDEL. I did not like one remark made that if we passed this bill that we will be strikebreakers. We do not want to be strikebreakers.

Mr. WILLIAM CURTIN. I do not know whether Congress in 1926 and 1936 was called strikebreakers when they passed the Railway Labor Act, but it is provided in there if you meet the statutory test, which is in Senate Joint Resolution 186, that in those circumstances there will be required by law extended periods of negotiations, and that is its concept in here.

Mr. FRIEDEL. You heard my earlier statement when I asked you to meet this afternoon?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. FRIEDEL. Both of you. Will you go in there with the attitude of give and take?

You have already made your offer. They have returned to their original offer. I am expecting them to give and take too, and I hope

before tomorrow morning at 9 o'clock, when we are supposed to meet, I would like to read in the papers that you have reached a settlement and agreement. Get together. There must be some way, some answer.

As to how far you can go, you must go a little further, how much they will have to recede—and they will have to recede—that you can get together and settle this strike and get the people back.

I want to make one other point. For 2 days I have been trying to get a little girl back, who is 12 years old, to her mother here in Baltimore; and I cannot get her back to Baltimore. She is out in Seattle, Wash.

Mr. SIEMILLER. We will get her.

Mr. FRIEDEL. I will call you right away.

Mr. WILLIAM CURTIN. Anything we can do to be of assistance to meet the public obligations which were suggested in some of the questions earlier, we will be very happy to try to do that.

Mr. FRIEDEL. I have been trying for 2 days and I have not gotten any response yet. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Springer.

Mr. SPRINGER. Mr. Curtin, the testimony here of Mr. Siemiller said that there was not a chance of getting a settlement here, if I understood him correctly, he said as long as there was this threat of legislation, as long as it is in existence, that you are relying upon the Congress to bail you out. Have you a reply to that?

Mr. WILLIAM CURTIN. Yes, sir. I think that in that area he has misgaged our motives. Frankly, we would love to be able to settle this dispute by collective bargaining rather than by legislation. The fact of the matter is that the bills were introduced and speeches were made before our settlement on July 29, and at least in my judgment, if it had any effect, it was in the form of an inducement to the parties to get to work, as many of the members of this committee have suggested, get to work to find an area of settlement. We did find an area of settlement but unfortunately it was rejected.

Mr. SPRINGER. Now on July 29, you settled this for approximately \$74 million?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. SPRINGER. Now this August 9, roughly 2 weeks later; roughly, is that about right?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. SPRINGER. Have you made any offer other than the \$74 million package to labor?

Mr. WILLIAM CURTIN. No; we have not.

Mr. SPRINGER. Your answer is "No"?

Mr. WILLIAM CURTIN. No.

Mr. SPRINGER. Have they made any offer to you?

Mr. WILLIAM CURTIN. Yes; it is one I described earlier, \$112,387,000 plus a cost-of-living provision and no assurance of ratification.

Mr. SPRINGER. Now they have made an offer to you?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. SPRINGER. You have not made an offer to them?

Mr. WILLIAM CURTIN. That is right.

Mr. SPRINGER. Well now, you have had how long to do that?

Mr. WILLIAM CURTIN. We received this offer late yesterday afternoon, this demand late yesterday afternoon.

Mr. SPRINGER. Did they make this offer on July 20? They went back to this position?

Mr. WILLIAM CURTIN. \$112 million?

Mr. SPRINGER. Yes.

Mr. WILLIAM CURTIN. No, sir. We settled for \$73.4 million on July 29, and when you ask really whether we have made an offer, I think perhaps I was not clear earlier.

The union says that this is the offer or the position which it can settle upon at the bargaining table, and which it will take out for ratification, \$112 million. So if we make an offer that is intended to conclude the negotiations, it is \$112 million.

Mr. SPRINGER. They made you an offer on July 7?

Mr. WILLIAM CURTIN. Yes.

Mr. SPRINGER. Of \$112 million. Now in the last 48 hours have you made them an offer?

Mr. WILLIAM CURTIN. No, sir.

I am apparently not being clear in my responses to you, Congressman Springer.

Since the rejection of the settlement which we reached, which the parties at the table reached, we received the union's position as to what it would take to settle this dispute the first time yesterday afternoon. We costed that position last evening. It would cost these five carriers \$112 million plus the cost-of-living provisions as opposed to \$74 million upon which we settled.

The union advised us that this is the position which it must have, this is the contract which it must have if it is going to take anything out to the membership for ratification, and it, of course, cannot guarantee that anything would be ratified, so that when you ask us if we have made an offer, this is presented to us frankly in the terms that if we wish to make an offer to settle the dispute, it must be an offer of \$38 million in addition to the settlement reached a week ago, plus a cost-of-living provision, and we have not made that offer.

Mr. SPRINGER. But the point that I am trying to make, Mr. Curtin—and I am sure that you understand what I am talking about—have you made them any counteroffer?

Mr. WILLIAM CURTIN. No, sir; not since yesterday.

Mr. SPRINGER. That is what I wanted to know.

Mr. WILLIAM CURTIN. Yes.

Mr. SPRINGER. You can say "Yes" or "No" to that question, can you not?

Mr. WILLIAM CURTIN. Yes, sir. I was not trying to evade your question.

Mr. SPRINGER. You should not.

Mr. WILLIAM CURTIN. I did not understand it.

Mr. SPRINGER. This committee is trying to get an understanding as to where the negotiation is at this point.

Now as I understand it, they have said that to settle this it will cost \$112 million and you have not made any reply to that; is that correct?

Mr. WILLIAM CURTIN. We have rejected that.

Mr. SPRINGER. Now are you going to make any answer to them or reply to them?

Mr. WILLIAM CURTIN. We are not going to agree to pay \$112 million; no, sir.

Mr. SPRINGER. I did not say that.

You understood, Mr. Curtin, that I did not say that?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. SPRINGER. Are you going to make any counteroffer?

Mr. WILLIAM CURTIN. I do not know the answer to that question. I would have to consult—

Mr. SPRINGER. I think it is pretty important to this committee to know, if you are asking to come in here and that we pass this kind of legislation, we want to know what you are doing and whether or not you are bargaining in good faith. I am not saying that you are not. I am just saying that this committee ought to know whether or not you intend to bargain in this matter, or whether you intend to stick on \$74 million.

Mr. WILLIAM CURTIN. Yes, sir; you are entitled to know that and I will let you know after we meet this afternoon.

Mr. SPRINGER. Pardon me. Had you finished? I did not mean to interrupt.

Mr. WILLIAM CURTIN. I said we are planning to meet this afternoon at the request of Congressman Friedel and the committee, and the question you asked of course will be developed factually then.

Mr. FRIEDEL. I said give and take.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. SPRINGER. Mr. Curtin, one further question.

In the negotiations—now you know whether these things go on or not, and I want to know whether anybody connected with these five airlines—during these negotiations were there pressures exerted by the administration to not go above a certain figure.

Mr. WILLIAM CURTIN. No, sir.

Mr. SPRINGER. Wait a minute. I am not talking about the Secretary of Labor. I am talking about the Chairman of the Civil Aeronautics Board.

Mr. WILLIAM CURTIN. I heard your questions the other day with respect to the Chairman of the Civil Aeronautics Board, whom I do not know and have never talked to. I do know, Congressman Springer, that the Chairman of the Civil Aeronautics Board has spoken with representatives of these five carriers, I suppose on many occasions.

As you are undoubtedly aware, after the strike took place, the CAB, for example, issued emergency orders and there were meetings of carriers, not only these five but others, and I am sure there have been innumerable conversations with Mr. Murphy and perhaps others at the CAB.

Mr. SPRINGER. Now was there this in the negotiations to not go above the President's guidelines or not go very far above them?

Mr. WILLIAM CURTIN. No, sir.

Mr. SPRINGER. There was no discussion of this with the Secretary of Labor?

Mr. WILLIAM CURTIN. We went above the President's guidelines when we accepted the President's Emergency Board report.

Mr. SPRINGER. Now was there pressure exerted not to violate these guidelines very much? That is about the best way I can put it.

Mr. WILLIAM CURTIN. I would hesitate to say pressures. We were always conscious, I think both sides at the bargaining table were always conscious that the administration has a stabilization program to try to fight inflation in this Nation, and that they were concerned that neither of us should enter into an unduly or excessively costly contract.

Mr. SPRINGER. All right, they made that clear to both sides, did they not?

Mr. WILLIAM CURTIN. I think so; yes.

Mr. SPRINGER. I just wanted to be sure. I am not condemning anybody for that, because I realize that there are guidelines in the situation, and I just wanted to be sure that we get it all on the record that there were people involved in these negotiations other than you and labor. That is the purpose of the question.

That is all, Mr. Curtin.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Macdonald?

Mr. PICKLE. Mr. Chairman, may I ask this question?

The CHAIRMAN. Will Mr. Macdonald yield?

Mr. MACDONALD. I yield for a question.

Mr. PICKLE. Could you give the committee a translation of what the sums involved would mean with reference to percentages, if they had asked for \$112 million as compared with your \$74 million?

As I figure it, that is approximately 50 percent more. Am I saying in effect that this would be over a 9-percent-guideline increase?

Mr. WILLIAM CURTIN. I am not a very good statistician either, but that is the way I would figure it, Congressman Pickle; yes.

Mr. PICKLE. Nine, almost ten percent?

Mr. WILLIAM CURTIN. I am not sure we are using the correct base when we use that kind of comparison.

Mr. PICKLE. I thank you.

Mr. MACDONALD. Mr. Curtin, going back to a point raised by the chairman, one of the factors, of course, that we all worry about during the strike is safety.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. MACDONALD. And I noticed, and I do not remember exactly or have the figures, a number of people who did not vote in the regular procedure of accepting or rejecting.

Mr. WILLIAM CURTIN. About a third of the membership; yes, sir.

Mr. MACDONALD. These people are very highly skilled; are they not; highly trained?

Mr. WILLIAM CURTIN. Some are, some are not. This is not just a group of mechanics, you understand.

Mr. MACDONALD. Right. The mechanics themselves are the most likely to be able to obtain other jobs?

Mr. WILLIAM CURTIN. Oh; yes, sir.

Mr. MACDONALD. They are very highly sought after?

Mr. WILLIAM CURTIN. I would think so; yes, sir.

Mr. MACDONALD. I was wondering if the airlines have taken into consideration that even if this legislation passes, and the airline employees, the mechanics which I am now directing myself to, decide that they would rather get jobs in other industries that are a little

higher paying, would not the airlines themselves be in a very bad situation inasmuch as the safety requirements of the CAB would still have to be lived up to, the public confidence would have to be restored that these planes, having been parked on the runways, which I can see fortunately since I am from Boston and Northeast is still flying; have the five companies taken this into consideration?

Mr. WILLIAM CURTIN. Of course we have, and we are concerned about the prospect which you have indicated. However, I think it does assume perhaps too much, and that is that all of the skilled employees would take jobs elsewhere, and that these five carriers will resume operations on a complete basis. In other words, that we will be operating at 100-percent capacity immediately, and I do not think that that is going to be the case, because there is going to be a very difficult period where we are going to have to get ourselves cranked up and get back operating, so that there will be a gradual period in which employees will be returning to work, aside from the strike situation. This industry has a very low turnover rate, something less than 2 percent, so that it is considered quite a desirable industry in which to work.

Mr. MACDONALD. The other question I would like to ask, which I asked the representative of the machinists, Were you surprised that the administration did not take a position on this legislation?

Mr. WILLIAM CURTIN. Surprised? I think I was disappointed. I do not know whether I was surprised.

Mr. MACDONALD. Do you read anything into the fact that they did not take a position, even though they were very much in the picture during the negotiations?

Mr. WILLIAM CURTIN. I do not read anything into it that relates to the status of this dispute, and certainly I am not qualified to make judgments in other areas as to why they may or may not be taking a position with regard to this legislation. I think that they have taken a couple of positions which relate to the legislation and which are very relevant.

The first is that collective bargaining has failed in this dispute to date, and the second is that action ought to be taken, whatever it is, promptly.

Mr. MACDONALD. Sir, I noticed in your statement you say that collective bargaining has failed, but that is not quite the fact yet, is it? It will have failed if Congress passes legislation, but until Congress passes legislation dealing with this strike, it is the normal process of collective bargaining that is taking place right at this moment.

Mr. WILLIAM CURTIN. Not in my experience, Congressman.

Mr. MACDONALD. Well, I am sure you have more experience than I have.

Mr. WILLIAM CURTIN. I think it is to the contrary really.

Mr. MACDONALD. When they make a demand of you, and I think that is what confused some people earlier—

Mr. WILLIAM CURTIN. Yes.

Mr. MACDONALD. The use of the word "offer" rather than "demand", and you rejected it, that is the ordinary process of collective bargaining, is it not?

Mr. WILLIAM CURTIN. As a general proposition, yes, offers, counter-offers, rejections, acceptances.

Mr. MACDONALD. And is there anything unusual in having the negotiating committee for any union then take the package back to the membership and have the membership reject it? Does this not happen every day throughout the bargaining processes?

Mr. WILLIAM CURTIN. No; it does not happen every day, Congressman.

Mr. MACDONALD. I am sure that you do not enter into a contract every day.

Mr. WILLIAM CURTIN. It is not the rule.

Mr. MACDONALD. But it is not unusual is my point.

Mr. WILLIAM CURTIN. Yes, but it is not the rule.

For example, this union as I understand it with regard to the employees it represents in the railroad industry has no—this union, as I understand it, with regard to the employees which it represents in the railroad industry under the same act has no ratification procedures, so first of all, it is not always the rule that there is a ratification procedure, and in my experience it is by far the rule that when there is a ratification procedure and the leadership of the union recommend a settlement, that it is accepted.

Mr. MACDONALD. At the hearings before the McClellan committee, was not that one of the main issues, to prevent so-called sweetheart contracts, that the leadership of the unions would have to go back to their membership to have the contracts ratified so that the people who actually belong and work, belong to the unions and work for the companies cannot be sold out?

Mr. WILLIAM CURTIN. That was a concept that was advanced; yes, sir.

Mr. MACDONALD. And is that not in your opinion a reasonable process?

Mr. WILLIAM CURTIN. Yes; but no more reasonable than those representatives of the union standing for election every 2 years to defend the decisions that they have made in the interim period.

Mr. MACDONALD. My last observation. With the package that they got, and I think it is a very good package, I think they would—

Mr. WILLIAM CURTIN. I would hope so.

Mr. MACDONALD. I am not sure that that could be said for everyone here in the country.

Mr. CHAIRMAN. Mr. Younger.

Mr. YOUNGER. Thank you, Mr. Chairman.

In lieu of a contract tied in with the cost-of-living index, would you be willing to accept a contract tied in with the earnings of the air carriers?

Mr. WILLIAM CURTIN. With the earnings of the air carriers? Over a 6-year period; yes, sir.

Mr. YOUNGER. That is what I mean.

Mr. WILLIAM CURTIN. Yes; you are talking about a trend?

Mr. YOUNGER. Would you be willing to accept a contract tied in with the earnings of the airlines?

Mr. WILLIAM CURTIN. Yes, sir; we would be willing to consider approaching a contract on that basis.

Mr. YOUNGER. Now you call for this legislation and you call for 180 days before it comes back into somebody's lap again. What prospects

are there that there will be any meaningful negotiations, because the record shows that from the time the President appointed the Emergency Board until you met recently at the White House, there were no bargaining meetings; is that true?

Mr. WILLIAM CURTIN. No, sir. We had bargaining meetings practically every day and every weekend.

Mr. YOUNGER. Well, that differs a lot from what was testified to in our hearings with the other side of this issue.

Mr. WILLIAM CURTIN. That there were no bargaining sessions, sir?

Mr. YOUNGER. Practically no bargaining sessions from the time—and I asked the question specifically—from the time that the President appointed the Emergency Board until they were called to the White House. You had some meetings, but no bargaining of any kind, no offers or anything of that kind.

The Chairman wants me to yield and I will.

The CHAIRMAN. I asked him to yield for this purpose, not for a question of you, but to ask the committee if they would remain for about 2 minutes after 12 o'clock, so that we might have a short executive session of the members that are here, and we will ask this room to be cleared when the bells ring.

You may proceed.

Mr. WILLIAM CURTIN. Could I try to respond to that question of Congressman Younger.

Mr. YOUNGER. Yes.

Mr. WILLIAM CURTIN. My understanding of the exchange, if I remember it correctly, was whether there had been any real collective bargaining during the period, and I think that you are quite correct, that Mr. Siemiller answered that question no, or something to that effect.

Mr. YOUNGER. Well, then why—

Mr. WILLIAM CURTIN. Yes, sir.

Mr. YOUNGER. Why would we expect, Mr. Curtin, to have any real bargaining sessions in the next 180 days, if the men went back to work under this legislation?

Mr. WILLIAM CURTIN. Well, for one reason, because I think that the Secretary of Labor and I would disagree with Mr. Siemiller's conclusion, I think there was real bargaining. I know that we made a number of offers and I know that the union made a number of offers which finally culminated in an agreement on July 29. The Secretary of Labor announced, or stated his opinion that if this bill were passed there would be a settlement during the term and I share that opinion.

Mr. YOUNGER. Well, yes, but the Secretary will not recommend this legislation.

Mr. WILLIAM CURTIN. I know that, sir.

Mr. YOUNGER. And the administration will not recommend this legislation. They can talk all they want to, but the Secretary also told us that the guidelines that they had set was an important factor all during the time that he talked to you, and I think he so stated in his testimony, if I recall it correctly.

Now if this legislation is passed, in your opinion, and you have read it probably many times, will this take care of the American airlines and Pan-American and the other lines that are coming up under this same situation?

Mr. WILLIAM CURTIN. It appears to be designed to do so; yes, sir.

Mr. YOUNGER. In your opinion it will do that?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. YOUNGER. Normally in the bargaining is it your attitude that the agreement which was reached July 29, and was turned down, and then you returned to the bargaining table, you start bargaining from that agreement?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. YOUNGER. And not from some previous agreement back to July 7?

Mr. WILLIAM CURTIN. Exactly, sir.

Mr. YOUNGER. Is that not normally the bargaining process?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. YOUNGER. That is all I have.

The CHAIRMAN. The committee will stand adjourned until 7:30 tonight, unless the House is in session and we cannot meet here. Now if it is in session at 6 o'clock or after we will not come back.

The room will please be cleared.

(Whereupon, at 12 noon, the committee adjourned, to reconvene at 7:30 p.m. the same day.)

AIRLINE LABOR DISPUTE

WEDNESDAY, AUGUST 10, 1966

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The committee met, pursuant to recess, at 9 a.m., in room 2123, Rayburn House Office Building, Hon. Harley O. Staggers (chairman) presiding.

The CHAIRMAN. The committee will come to order.

When the committee adjourned yesterday, the committee was questioning Mr. Curtin, and, as I understood when I had to leave the committee, Mr. Friedel had an agreement from the principals that they would meet yesterday afternoon.

I would like to ask you, Mr. Curtin, was there any progress made in the meeting yesterday?

STATEMENT OF WILLIAM J. CURTIN, SPOKESMAN FOR THE AIRLINES, ACCOMPANIED BY THOMAS D. McCANN AND RICHARD C. HOTVEDT, ATTORNEYS—Resumed

Mr. WILLIAM CURTIN. No, sir; I am sorry there was not. Mr. Ramsey, the chief negotiator for the union and his committee and our negotiating committee met for over 4 hours yesterday afternoon, had a very thorough exchange of ideas and discussion of the costs of their proposal, and discussion of the cost of modifications of the agreement reached on July 29, but there was no basis for an area of agreement developed through those discussions.

The CHAIRMAN. I think that the committee has been very patient with both sides, and the time has come that this committee must act. There will be amendments in this bill that neither labor nor management is going to like, I can assure you of that from what I understand from the sentiments of some of the members here that they have decided that playing around must come to an end and that both sides on this must be brought to their senses some way.

I would like to ask Mr. Siemiller a question at this time. In your statement yesterday you agreed with me I believe, in your response to questions, that the enactment of this legislation would set collective bargaining back.

Mr. SIEMILLER. Yes, sir.

The CHAIRMAN. And I understand that this setback will not only hurt the Machinists Union but it will hurt all organized labor.

Mr. SIEMILLER. No doubt of that.

The CHAIRMAN. And eventually it will hurt management as well, as it is now proposed?

Mr. SIEMILLER. If they take freedom away from the workers, they will take it way from management. It is just the first step. That is my belief.

The CHAIRMAN. Well, I wanted to ask you, but I think I have the answer from Mr. Curtin, about the productivity of the negotiations, but apparently they are unproductive at the present time.

Mr. SIEMILLER. It is my understanding that the carriers were willing to change some dates around, but weren't willing to put one cent more into the pot. That they were willing to switch some dates back and forth for the start of certain benefits. That may or may not be entirely correct, but it is within the ball park.

The CHAIRMAN. Therefore, I want to make one proposal and I think this will probably be the last thing, and I want you to listen carefully if you will, and you too, Mr. Curtin. If an agreement can be worked out with the carriers under which there would be a guaranteed floor on the benefits to be provided the members of the union, for example, the recommendations of the Emergency Board, would you agree to apply the current dispute, the provisions of sections 7 and 8 of the Railway Labor Act under which your organizations are now operating which would provide for voluntary arbitration of the dispute, subject to the ratification of the agreement entered into by the members of your union?

Mr. SIEMILLER. As I understand that, it would mean that anything that we could work out with the carriers as something that would be a final offer, the issues left standing, would we submit it to final and binding arbitration. I don't have the authority to say yes, but I would submit such a proposition to the membership for their ratification and for the authority to enter into such an agreement.

The CHAIRMAN. How long would this take, Mr. Siemiller?

Mr. SIEMILLER. About like the other one. Maybe we ought to take a little longer on it to be sure they understand it. First we would have to work it out with the carriers as to just what they were willing to do to make—which issues they could agree with us that we could fully recommend, and that wouldn't have to go to arbitration under this, and that shouldn't take very long. I would say I want to make it as short as possible, but it would take 3 or 3½ days, to work it out and to submit it to the membership.

The CHAIRMAN. Thank you very much. Mr. Curtin?

Mr. WILLIAM CURTIN. Mr. Chairman, I think you are fully—

The CHAIRMAN. I just want to ask this of you. The carriers have agreed twice to accept arbitration in this dispute in the past. I believe the record shows this. Without regard for the present purposes as to the terms of the agreement to arbitrate, would the carriers be willing to submit this dispute to voluntary arbitration?

Mr. WILLIAM CURTIN. Of course.

The CHAIRMAN. Where there is a controversy and both sides will agree to voluntary arbitration, there is set up the principles and the procedures under which they shall proceed, and it is exactly under the law. This is no new law. This is the law under which the carriers and the unions are operating today, and it doesn't have anything to do with any other law or any other outside parties. It is within their province and entirely as written out under the law.

Mr. SPRINGER. In other words, if they haven't come into an agreement voluntarily on their own part, to submit it to their own board, is that the simplest way I can state it?

Mr. WILLIAM CURTIN. Eventually you agree to submit all unresolved issues.

Mr. SPRINGER. This is an article in writing covering the areas that can be explored and submitted to arbitration?

Mr. WILLIAM CURTIN. Yes, that would be the ordinary form.

The CHAIRMAN. There is a form and procedure as to how it shall be handled and how many on the board and all the other fine details worked out in the law.

Mr. WILLIAM CURTIN. They are not worked out in the law. They are worked out between the parties as I understand it.

The CHAIRMAN. What is to be arbitrated, that is right.

Mr. WILLIAM CURTIN. Yes.

The CHAIRMAN. But I am talking about the procedures. They are in this law, in this act. Well, I will tell you, this committee will continue its deliberations. I would like to say that we do not propose to be rushed into illogical and hasty legislation by any manner of means. We are going to proceed at our utmost speed under the resolution that is before us, and our procedures in this committee, and probably we will go into executive session this morning, and if we can get permission from the House, we will be in executive session this afternoon. The committee will use their judgment, but I do believe that if the union and the carriers can sit down and come to some agreement on this arbitration, this committee I believe would be more than willing, they would be very happy to give the time that is needed to get ratification for the voluntary arbitration to take place.

Mr. WILLIAM CURTIN. Mr. Chairman, it seems to me that that is a very simple question whether or not we accept voluntary arbitration really. It is not even as complicated as the issues which were submitted to the membership for ratification a week ago. I think, speaking for the carriers, we would hope that if it is necessary constitutionally or otherwise for the IAM to submit that kind of question to a vote of the membership, and I am not sure that it is under their constitution, Mr. Siemiller would know, that it could be done in a very expedited fashion so that whatever harm is occurring to the public may be minimized in this matter.

We have, as you indicated, agreed to the principle of accepting partial factfinding on two prior occasions in this dispute, and we stand ready to do that again.

The CHAIRMAN. I am sure, and I hope that Mr. Siemiller will confirm this, that if it doesn't take three and a half days that you will not wait the three and a half days.

Mr. SIEMILLER. That is correct. We will do it at the very first possible moment. As I would see what we have, we would have to go over very carefully with the carriers and our committee decided what we are in agreement on that we would recommend that would be final and binding, and which articles would be left to voluntary arbitration under the law. I wouldn't want to lead you astray. The membership would have to be sold on the idea. I think if it hit them cold, why they would say no, but then we are perfectly willing to try it.

The CHAIRMAN. All right. I would say this. I don't know if this will take place but if it does, I hope it will take place in the presence of the Department of Labor, that they will be with you and that it can be worked out if this is the wishes. If you wish to do it just alone, that is fine, but if you do not, they are very competent in the Department of Labor.

Mr. WILLIAM CURTIN. Mr. Chairman.

The CHAIRMAN. Yes?

Mr. WILLIAM CURTIN. May I continue to address myself to this question. It seems to me that one of the very critical questions with regard to the submission to voluntary arbitration, if it does have to be subjected to a vote of the membership, is the IAM's position, that is the leadership position as to whether they intend to recommend that the dispute be submitted to voluntary arbitration. It has been the position of these unions on other matters, during the course of these negotiations, that any position which is put before the membership without the recommendation of their leadership is tantamount to having a recommendation against the proposition, and therefore will surely fail, and we would be engaging I am afraid in a 3-day exercise which would yield no result.

If Mr. Siemiller is indicating that this proposition would go to the membership with the leadership of the union's recommendation, it seems to me that then it may be a worthwhile venture.

The CHAIRMAN. That is my understanding. Is that your understanding, that you would recomemnd this if you could work out the terms of it?

Mr. SIEMILLER. Mr. Chairman, I don't quite place the value upon our recommendations that Mr. Curtin does, because we couldn't recommend a settlement any greater than we did the last one that we submitted. However, we would definitely tell our membership that this is much better than legislation from the Congress, and the other seems to be inevitable.

Mr. FRIEDEL. Will the chairman yield?

The CHAIRMAN. Yes.

Mr. FRIEDEL. Mr. Siemiller, I think you said yesterday that you had 10 or 12 heads of locals here. Are they still here?

Mr. SIEMILLER. Yes; they are.

Mr. FRIEDEL. That might be a very, very good barometer, by conveying this to them when they get back to the locals.

Mr. SIEMILLER. Thank you, Congressman. I will certainly talk to them.

Mr. PICKLE. Mr. Chairman.

The CHAIRMAN. Yes.

Mr. PICKLE. I would like to ask Mr. Curtin and Mr. Siemiller if this subject of voluntary mediation or arbitration has been offered by either party in the negotiations thus far. Has this come up at any point? Have you refused to do it?

Mr. WILLIAM CURTIN. Yes; it came up, Congressman.

Mr. PICKLE. Did both parties refuse to do it?

Mr. WILLIAM CURTIN. No; we agreed to do it.

Mr. PICKLE. The unions did not? The machinists did not?

Mr. WILLIAM CURTIN. That is right, that is correct.

The CHAIRMAN. When we adjourned yesterday, the questioning had been beyond Mr. Friedel. You did not question Mr. Curtin? Mr. Friedel.

Mr. FRIEDEL. First, I would like to say that when I woke up this morning, I was very disappointed that I didn't read in the headlines that both labor and management had gotten together, and I think that is the feeling of everybody on the committee. I think we all realize the importance of free collective bargaining, and we understand that legislation would be harmful, we feel it would be harmful. I am glad that you are practically agreeing to submit this to voluntary arbitration. I hope we are not forced to pass legislation that will cause harm at the present time and in the future.

But, gentlemen, if you will in considering the importance of this to the public, the inconveniences that are caused the United States and in Europe and probably in other places too, that you will realize this is an obligation that you must have, to try to get together, and go in there with the idea that you are going to give and take. I understand yesterday that most of the meeting was how did you arrive at this percentage or at this figure and the other side saying how did you arrive at this percentage and figure, and that is the wrong way to go into a pact where you want to try to really come to a head.

Now I understand Mr. Siemiller said that there was some talk about dates, effective dates, and I think that would be very helpful, instead of 18 months, 12 months. I hope there is some way that you can get together on these two or three things and put the rest to arbitration. I pray that both of you get together.

Mr. Siemiller, you call your men that you have here today, and tell them that Congress does not want to pass any legislation that will be harmful, but the public cannot be damned. We must do something. That is all I have to say, Mr. Chairman.

The CHAIRMAN. Mr. Devine.

Mr. DEVINE. I would like to ask Mr. Siemiller one question. He made a statement here earlier that in the event this situation does develop as suggested by the chairman, that he would like to have an opportunity to give his membership more time to weigh this so they would know what they were doing. Now those are your words, so they would know what they were doing. Do you mean to infer that they didn't have sufficient time to know what they were voting on last time, Mr. Siemiller?

Mr. SIEMILLER. No; I don't. This is just a little more complicated and something that is unusual that we would have. That you are voting to accept or reject certain issues, and if you accept these issues, then the other issues would go to final and binding arbitration; we would need to know that they thoroughly understood what they were voting upon.

Mr. DEVINE. I just want it clear on the record here that you didn't mean to infer they didn't know what they were doing last time.

Mr. SIEMILLER. Absolutely not, Congressman.

Mr. DEVINE. That is all.

Mr. SIEMILLER. This is an entirely different type of a situation and an unusual one. I find in that that it takes a little more explanation, a little more talking than something that you normally do every day, in order to be fully understood, and that is what I intended to imply.

I would reiterate again the membership absolutely, positively were informed and knew what they were voting on in the last referendum.

Mr. DEVINE. That clarifies the record. That was the purpose of my question.

Now, Mr. Curtin, I believe that night before last in one of your television appearances you asked a rhetorical type question, "Does the IAM leadership speak for the IAM membership?" Apparently the question arose from the fact that they did not ratify the recommendations of the union leaders. Do you wish to enlarge on that in any way?

Mr. WILLIAM CURTIN. I do not recall making that exact statement, but it certainly represents a problem which is of great concern to the carriers in this matter, because it complicates an already difficult bargaining situation, when we find ourselves faced with the fact that the leadership, despite their best recommendation, is unable to persuade a significant, even a significant number of the membership that, it presents a particularly difficult problem when the facts indicate that the leadership, despite their best recommendations, are unable to persuade even a substantial minority, you might say, of the the membership involved that the contract settlement was in fact the best ever reached in the airlines industry, and ought to be accepted for that reason. So that this does make for a very uncertain feeling at the bargaining table that is not conducive to bargaining.

I remind you that I reported the union's position as given to us Monday afternoon was a retreat to the cost of the ultimatum we received on July 7, immediately before the strike, and yet even with that figure on the table, the IAM felt constrained to say that it carried with it no assurance of ratification.

Mr. DEVINE. The day before yesterday when Secretary Wirtz directed a letter to the chairman of our committee, he said in there that he felt that a joint session between the carriers and the union would be "pointless," and he agreed that that was the position of the carriers, the position of the union and that he felt that way. Is that still your feeling?

Mr. WILLIAM CURTIN. Yes.

We as somewhat professional bargainers, recognize that we are so far apart that to start from those poles is very difficult.

I wish that collective bargaining were as simple as a "now I move, then you move" situation. To oversimplify it, the way that that would work then would be when you have a contract settlement, it is reached but not ratified at \$74 million, then the one party would resume bargaining at \$112 million and we would retreat to 36.

Mr. DEVINE. I understand what you are trying to say, that you still feel it would be pointless.

Mr. WILLIAM CURTIN. That is right; that is exactly right.

Mr. DEVINE. Well, now, it is my understanding that after the rejection by the union membership of the agreement announced by the President that the unions have retrogressed, if we can use that word, to their position of July 7—

Mr. WILLIAM CURTIN. That is right; to the cost of their position on July 7.

Mr. DEVINE. Involving the benefits between roughly \$100 and \$110 million for 36 months plus the cost-of-living clause.

Mr. WILLIAM CURTIN. Yes.

Mr. DEVINE. Have the carriers retrogressed to their position in which they are willing to accept the recommendation of the President's Emergency Board?

Mr. WILLIAM CURTIN. No; we have not receded from the contract settlement.

We have not gone back to a prior position.

Mr. DEVINE. You still retain the same position that you did at the time the President announced the agreement of July 29?

Mr. WILLIAM CURTIN. That is right, sir. That is the offer we have on the table right now.

Mr. DEVINE. Thank you.

The CHAIRMAN. Mr. O'Brien.

Mr. O'BRIEN. Mr. Chairman, I do not have any questions, but I have listened very carefully to what the chairman has had to say. It does seem to me at this point in view of the number of times we have been told that no fruitful negotiations are possible while this legislation is hanging fire, that the Chairman has pointed out, in my opinion, the last possible escape hatch on the road to probable legislation. It is my opinion, and I am glad that he did point it out, and I hope both sides will understand.

Mr. WILLIAM CURTIN. I am happy that he did too, Congressman, and for the carriers we are happy to accept the principle of voluntary arbitration in this dispute.

Mr. O'BRIEN. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Nelsen?

Mr. NELSEN. Mr. Curtin, the details of the settlement that was agreed on, we keep hearing that the detail of this agreement was not made available to the membership, and it was suggested that it not be made available.

Is this a true statement?

Mr. WILLIAM CURTIN. I do not believe so; no, sir.

I think it may be that there was an understanding that the carriers would not disclose the details of the settlement to the public press until the union had an opportunity to present those details to the union membership in their own meetings.

Mr. NELSEN. That would be proper, I would assume?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. NELSEN. Now yesterday I believe you said that the only agreement that Mr. Siemiller would submit to the membership for ratification, the only proposal was the \$112 million one at this point.

Mr. WILLIAM CURTIN. That is his statement, yes, sir; on Monday afternoon.

Mr. NELSEN. In other words, there is no arbitration. There is a fixed position. It is my understanding that there is give and take in negotiations, and I would assume from that statement that there would be some possibility of the carriers moving a bit and also the Machinists moving a bit toward a settlement, but I gather from that statement the only settlement would be the \$112 million package, and that would be submitted to the membership for ratification. Therefore, there is really no negotiation whatever, no give or take, from that statement.

Mr. WILLIAM CURTIN. That was how it was clearly expressed to us, that this was the package which they could submit to ratification.

Mr. NELSEN. I hope this is a misunderstanding on our part. I hope there is a little disposition to give and take.

Now, then, might I ask this question: The comparisons of salaries, we hear some who may say that the level of wage of the Machinists in this industry is not on a level with some other areas. Now, I presume there is a possibility that this may be true in some areas and in other places it may not be, but have you employed or do you have a factfinding commission that is independent of the industry, independent of labor, that might have given a study to this?

Mr. WILLIAM CURTIN. Yes, sir; the Emergency Board appointed by the President—

Mr. NELSEN. Yes?

Mr. WILLIAM CURTIN (continuing). Took exactly those factors into account. That is one of the ways that factfinding, impartial factfinding boards determine what an appropriate recommended increase would be, to look at how the workers are paid at the present time, what the national trend toward settlement is, and the like.

This was litigated extensively before that Emergency Board.

Mr. NELSEN. Yes?

Mr. WILLIAM CURTIN. And I presume it was the basis for what we regarded to be an extremely generous wage recommendation.

Mr. NELSEN. Now in the event that the carriers should find it possible to present a more generous offer, are you of the opinion that the President's Factfinding Commission would turn thumbs down on it and put pressure on the airlines to recede from a more generous position?

Mr. WILLIAM CURTIN. No, sir.

The Emergency Board, which I think is what you are referring to?

Mr. NELSEN. Yes.

Mr. WILLIAM CURTIN. As the Factfinding Commission has expired. It is no longer in existence. Once it rendered its report to the President on June 5, its function was completed.

Mr. NELSEN. Well, in conclusion, I do hope that the carriers will find it possible to submit another proposal, and I do hope that the Machinists will take a look at it and back away from the firm position which indicates no desire to change from the \$112 million, because I do hope it is settled.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Moss?

Mr. MOSS. Mr. Curtin, on page 16 of your statement, you said that the Congress in the case of the 1963 dispute, "moved swiftly to resolve the dispute before the strike. There is thus legislative history and precedent to support congressional action in this transportation crisis."

Now the issues are not the same.

Mr. WILLIAM CURTIN. That is right.

Mr. MOSS. We moved this swiftly. We met, agreement was reached. At the urging of the chairman, that the parties return to the bargaining table for 30 days, during which time the members of this committee were permitted the opportunity, the adequate opportunity to fully inform themselves on the issues unresolved. We then met, and as I recall in hearings far more extended than those we have had so far, in order to give the most careful and deliberate consideration to the

rather unprecedented step we were about to embark upon. There then was not a strike. There the settlement directed by the Congress was on the basis of areas of agreement, and remaining issues were then resolved by staying, we will say, for a period of 2 years any further strike action on them and ordering them to conform to compulsory arbitration.

So the situations are not the same. Is it your contention and that of the industry that we are at this moment faced with a national emergency?

MR. WILLIAM CURTIN. No, sir, that is not our contention. Our contention is that essential transportation services of this Nation have been threatened and have been affected by this dispute.

MR. MOSS. We had that on the west coast for an extended period in the west coast Pacific Greyhound strike, did we not?

MR. WILLIAM CURTIN. I do not know.

MR. MOSS. Did you have any familiarity with that?

MR. WILLIAM CURTIN. No, sir.

MR. MOSS. Well, we did have for an extended period, and I believe we had in other bus strikes. The thing that concerns me is that again we are asked on an ad hoc basis to embark upon a rather radical treatment, and from every source we are being urged to act post haste, and I recognize the great stake of the American traveling public. I am part of that traveling public. I move between Washington and my district exclusively by air. I have been inconvenienced. I do not like to be inconvenienced. I have the resentment of any American when he is inconvenienced. But can you tell me of any strike, if it is against a local food chain, where there isn't a public inconvenience?

MR. WILLIAM CURTIN. No, sir.

There are always indirect inconveniences but I suggest to you that is more than an inconvenience affecting only the traveling public. For example, in northern California we are told that the people there who grow perishable products such as flowers are suffering an inconvenience of over \$1 million—

MR. MOSS. Oh, not only are the flower growers down in the bay area suffering but people in the cherry areas in my district are also suffering.

MR. WILLIAM CURTIN. Yes, sir.

MR. MOSS. I was not minimizing this.

MR. WILLIAM CURTIN. Yes, sir. I am sure you were not. But I wanted to make it clear that I was in agreement with your statement.

MR. MOSS. But I am very much concerned with the precedents raised here in a move of expedience, where perhaps we need to take a broader look at the basic law and adopt a more lasting and enduring method of settling these issues when both parties confess an inability to settle them on their own.

MR. WILLIAM CURTIN. I for one hope that you will, that the Congress will take that look at the enduring problem, but we—

MR. MOSS. The problem we have here now, though, is that you are urging us to act in a manner which in my judgment finds one party guilty, and I haven't heard the evidence that persuades me that only one party is guilty.

What would your attitude be toward an immediate solution of this by having the Congress direct the Government to seize, to operate, and

the workers to return to work until such time as the two parties can come forward with a package upon which they both agree?

Mr. WILLIAM CURTIN. Both the union and the carriers have publicly expressed their opinion on that question, Congressman Moss, within the last 24 hours, and I do not know which one of us has said it more definitely, but we are both opposed to that proposal.

Mr. MOSS. Well, you are both opposed to the proposal to seize?

Mr. WILLIAM CURTIN. That is right.

Mr. MOSS. And one party is vigorously opposed to the proposal of an order back to work and the other party is vigorously in support of it.

Mr. WILLIAM CURTIN. That is right.

Mr. MOSS. And really we are here not supposed to be too much concerned with either party but rather with the public interest.

Mr. WILLIAM CURTIN. That is true.

Mr. MOSS. With the equities of the situation. And I have not had enough evidence to pass judgment to determine which is at fault. I am not blessed with the wisdom of Wayne Morse nor have I had the opportunity to examine as fully as he has all of the issues. We have been occupied for many hours of each day during the time of these hearings with a very controversial and in many respects a very precedent-setting piece of legislation on the floor of the House.

Mr. WILLIAM CURTIN. Congressman Moss, if I can reply to that statement, I would like to suggest to you that the wisdom of Senator Wayne Morse is not the only question. He was joined in his recommendations by two distinguished Americans.

Mr. MOSS. I do not think we have to—

Mr. WILLIAM CURTIN. I have one other aspect to put to you and that is that—

Mr. MOSS. It is not necessary for you to defend Wayne Morse. We can terminate it at that. But I do have before me the information I requested from the Department of Labor indicating that there are approximately 212 agreements covering 1,862,210 workers containing a cost-of-living escalation clause; that it is estimated in addition that there are 200,000 unorganized workers usually in establishments where unions do have escalation clauses, also enjoying the benefits of escalation clauses, and that there is an estimated 325,000 production workers in nonunion and smaller union establishments in manufacturing where other cost-of-living escalator clauses are in mid-1965. And so I am concerned here with the equities of the package that was offered.

(The information referred to follows:)

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C.

HON. HARLEY O. STAGGERS,
*Chairman, Interstate and Foreign Commerce Committee,
Rayburn House Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to the request of your Committee that the Department of Labor supply information on the extent to which collective bargaining agreements contain cost of living escalator provisions.

I am enclosing hereto a report we have prepared including the number of major agreements containing such provisions, the approximate number of employees covered by the agreement, and the industries where such provisions are in effect.

If we can be of any further assistance, please do not hesitate to call.

Sincerely,

W. WILLARD WIETZ,
Secretary of Labor.

*Major collective bargaining agreements with cost-of-living escalator provisions*¹

Industry	Approximate number of workers	Number of agreements
Automobiles and automobile parts.....	772,350	55
Farm and construction equipment.....	95,000	11
Aerospace.....	245,900	34
Miscellaneous metalworking.....	88,300	42
Meatpacking.....	75,000	24
Cereals.....	4,200	1
Chemicals.....	12,420	6
Apparel.....	5,000	1
Printing.....	9,000	2
Lumber and furniture.....	3,750	3
Trucking.....	440,000	12
Local and intercity transit.....	49,765	15
Wholesale and retail food stores.....	46,525	5
Retail drugstores.....	5,000	1
Construction.....	10,000	1
Total.....	1,862,210	212

¹ Situations involving 1,000 or more workers.

NOTE.—In addition, at least 200,000 unorganized workers—usually in establishments where union production workers have escalator clauses—are covered by provisions for cost-of-living escalation. It is also estimated that 325,000 production workers in nonunion and smaller union establishments in manufacturing were under cost-of-living escalator clauses in mid-1965.

Source. U.S. Department of Labor, Bureau of Labor Statistics.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. MOSS. And again I have not had the opportunity to get all of the facts.

Mr. WILLIAM CURTIN. I think you are doing just what you are afraid of doing, and that is suggesting a judgment on one fact or one issue between the parties. The fact is also—

Mr. MOSS. I have not suggested any judgment—

Mr. WILLIAM CURTIN (continuing). That only 15 percent of collective bargaining agreements in America have cost-of-living clauses. That is another statistic that could be mentioned in this area.

Mr. MOSS. Now just a moment. I have just stated as emphatically as I could that despite the most diligent effort, I have not been able to get all of the facts I need to make a judgment or a finding as to which party here bears the greater burden of blame for the failure to reach an agreement. I have sought information. I am getting it piecemeal. I feel really that I have a burden of responsibility to the public, to try to be fully informed if I am going to in effect make a judgment that places the blame or inferentially carries with it a conclusion that one party is more at fault than the others.

Mr. PICKLE. Mr. Chairman, a parliamentary inquiry. Are we operating under the 5-minute rule?

I hope that we can stay with the rule because there are some of us who would like to be able to question or ask some questions and we will not have the opportunity if members have 10 minutes or more.

The CHAIRMAN. Thank you.

Mr. Keith?

Mr. KEITH. Thank you, Mr. Chairman.

It is my understanding with voluntary arbitration, there would be one member chosen by the union, one chosen by management, and one member agreed upon by both. Is that the way it is normally involved?

Mr. WILLIAM CURTIN. That is a very common procedure for selection of an arbitration board; yes, sir.

Mr. KEITH. So the agreement on the third party is really an important factor.

Mr. WILLIAM CURTIN. Yes.

The Railway Labor Act suggests that that be named by the National Mediation Board. It is usually not a dilatory feature in selection of arbitration boards here.

Mr. KEITH. It seems to me that the public has been extraordinarily patient with this problem, and that the Congress too has been quite deliberate in its efforts to determine the facts and reach a conclusion that is equitable.

But as Mr. Moss has just said, it is very difficult for us here to determine who is right and who is wrong, and it is very difficult I think for the public to do so. I would express the hope that union and management leaders could agree expeditiously on this thing, and support it wholeheartedly, because I do not believe the Congress will be as patient, if this procedure is not followed and enthusiastically followed and concurred in, as to the result, and that you will end up with compulsory arbitration.

I think you have got a big selling job. I noted that as Mr. Siemiller talked to this point the gentlemen sitting directly in back of him were shaking their heads until he turned around, at which time they stopped shaking their heads. He is going to have some problems locally, and I can assure you that we are going to have some problems here if you do not iron them out when you get back to the privacy of your organization.

I have no further comment or questions.

The CHAIRMAN. Mr. Dingell.

Mr. DINGELL. Gentlemen, you have forced this committee into a position where it really frankly does not want to be, and I say that to both you good gentlemen from management and my friends in the labor movement. It is fair to remind you that those who sow the wind are very likely to reap the whirlwind. I would remind you gentlemen in management that you have no assurance that this committee is going to act on legislation of this kind. I would remind my friends in the labor movement that this committee may very well act on such legislation, and if it does so, you may very well be establishing precedents which the labor movement will long have cause to rue.

This committee has not been dilatory in its consideration of the problems before it. We have acted expeditiously considering the importance of the question and considering the fact that the membership have needed to familiarize themselves thoroughly with the issues in order to act wisely in the public interest. It is fair to for me to tell each of your parties that there is no way that anyone can speculate on what will come out of this committee. I think it is very well to say that there are a number of alternatives open to the committee which you gentlemen should be keenly aware of.

There is a possibility of the legislation as drawn, or there is a possibility of seizure legislation, or there is a possibility of no legislation at all, or there is also the possibility of something else, and I can assure you that unpalatability of any one of these results will be equally unpalatable to the members of this committee.

I think you gentlemen therefore should be not only keenly aware but more keenly aware than you have demonstrated yourselves to be during the time that this matter has been pending.

It has been reported to this committee by the Secretary of Labor on several occasions that it is his honest belief that there can be no successful negotiation during the time that this matter is pending before the committee. That was received very poorly by this particular member of the committee, and I am satisfied by my colleagues. I would point out to you that the clock is now ticking on your interests as well as the public interest, and it may very well be that before the sun has set on the last day of this week that the legislative recommendations of this committee will be placed before the Congress. So you have that much time, I think, remaining in which you may resolve the issues here without a precedent being established which may very well jeopardize either the interests of management in the running of its own affairs, or the interests of labor in free collective bargaining.

Gentlemen, I want to conclude by simply asking a few brief questions on the point of national emergency.

I believe you said, Mr. Curtin, that there is no national emergency here; am I correct?

Mr. WILLIAM CURTIN. I said that we are not contending that because as we read the statute it is not required.

Mr. DINGELL. I wish then to ask you is there a national emergency here?

Mr. WILLIAM CURTIN. I do not think there is one affecting the defense, health, and safety of the Nation, no. I have heard Secretary Wirtz testify in that regard, and he is in a much better position, or the administration is, to make that judgment than I am certainly. I know that he is of the opinion that there is not a national emergency in that sense before you. I think he has also indicated that there is an emergency or a crisis, let's put it that way, in the sense that we have very important questions of the stabilization policies of this Nation before us in this dispute, in connection with this dispute.

Mr. DINGELL. And you would recommend very sweeping legislation, which in effect places a new person at the bargaining table here.

In effect, you may have established a precedent which will give management a partner in the resolution of its issues at the bargaining table, and which may well put a supervisor over the labor movement at the bargaining table. It is my feeling that this should be done only after the gravest of cause.

I would say very clearly that I would support this legislation if there was a national emergency. I am asking you to demonstrate a national emergency which would justify some so sweeping a change in our labor-management relations and in our national policies regarding free collective bargaining, which is a highly important part of our free capitalistic system.

Mr. WILLIAM CURTIN. I believe, Mr. Dingell, I would have to stand on Secretary Wirtz' statement that the country has a serious problem on its hands in the terms of bargaining, stabilization, and transportation, and I think he means it is a serious problem. Whether that meets your definition of national emergency, sir, I do not know.

Mr. DINGELL. Do you generally agree with the Secretary's assay of the situation then, with regard to whether or not there is a national emergency?

Mr. WILLIAM CURTIN. Yes, as to defense, health, safety—that concept which is what I believe he was discussing.

Mr. DINGELL. And the traveling inconvenience to the American public?

Mr. WILLIAM CURTIN. As to the travel inconvenience.

Mr. DINGELL. And as to the traveling conveniences of the American public?

Mr. WILLIAM CURTIN. No, sir. I understood him to say in the statement which I just read to you that this country has a serious problem regarding transportation.

Mr. DINGELL. I do not think you are quite interpreting my question correctly.

I said: Do you agree with his statement with regard to traveling convenience of the American public, and that there is no national emergency with regard to travel or with regard to essential services?

Mr. WILLIAM CURTIN. Well, yes, because I think his testimony in that regard is that there is a deprivation of essential transportation services and the executive—

Mr. DINGELL. Your answer is not responsive to my question. I asked you if there is a national emergency in this area and you said there is this national deprivation but you do not make the flat statement that there is a national emergency. I asked you if there was a national emergency in this regard.

Mr. WILLIAM CURTIN. You asked me if I agreed with Secretary Wirtz' testimony. I am not trying to fence with you.

Mr. DINGELL. Thank you, Mr. Chairman. Thank you very much.

The CHAIRMAN. Mr. Curtin?

Mr. CURTIN. Thank you.

Mr. Curtin, Mr. Siemiller said yesterday that these negotiations have resolved themselves, I believe you said, into eight national issues, and then a number of supplemental local issues. Would you agree with that?

Mr. WILLIAM CURTIN. Yes, I think it is really six national issues now, but yes, I would agree with that generally, yes.

Mr. CURTIN. My question is as to how many of those national issues have been settled and how many are you still negotiating?

Mr. WILLIAM CURTIN. Congressman Curtin, we settled them all at one point, as you know. There was a rejection. It is rather difficult to say that anything is settled until everything is settled. But in the sense of your question, if I understand it, two of the eight national issues, if I correctly interpret the union's position, are no longer issues between us, and I would at least hope that we have reached a basic agreement in terms of the wage increases since the wage increase that we have offered in terms of percentages in fact exceeds their demands.

Mr. CURTIN. Then it is safe to say that all the time has not been lost since the rejection of the offer, that you have made some progress on some of these issues since that time?

Mr. WILLIAM CURTIN. No, sir; it would not be safe to say that.

Mr. CURTIN. It would not?

Mr. WILLIAM CURTIN. I do not believe so.

Mr. CURTIN. So that really all of the issues remain pretty well as they were before, with the exception of the possible two of them that you say are more or less—

Mr. WILLIAM CURTIN. Yes.

Mr. CURTIN. In the gray zone, at this point.

Mr. WILLIAM CURTIN. I would say that they unfortunately are not where they were before, because we had reached an agreement. Where they are now is back where they were on July 7.

Mr. CURTIN. In settling issues of this nature in negotiating you get one out of the way and then proceed to another, or is it a give-and-take with all of them at one time?

Mr. WILLIAM CURTIN. Usually there is a package approach, because that is basically what we are all talking about, how much the total benefit will be to the employees and from the union's point of view, and how much the total cost would be to the employer, so it is very difficult to resolve one independently of all. But there aren't so many issues here that that makes it complicated in terms of our understanding each other. We understand each other completely.

Mr. CURTIN. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Kornegay.

Mr. KORNEGAY. Thank you, Mr. Chairman. Mr. Curtin, do you and your clients believe in the principle of collective bargaining?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. KORNEGAY. I would have asked Mr. Siemiller the same question but I did not have the time the other day. I certainly gather from statements that were made that he and those whom he represents certainly believe in it.

Do you believe, Mr. Curtin, that collective bargaining has failed in this instance?

Mr. WILLIAM CURTIN. Yes, I do.

Mr. KORNEGAY. Now here the question really resolves itself into what you might term the primary and secondary considerations of this committee. I think many members of the committee are interested in this. No. 1 is what can be done to resolve this particular dispute, and No. 2, what can be done, what should be done, to avoid in the future such conditions as exist in the transportation industry.

I would just like to say, to use somewhat of a cliché, the natives are getting restless. In other words, the public is becoming increasingly concerned in my opinion, based on what I hear from my constituents and from what I read in national newspapers, about the strikes, stoppages of public service are becoming somewhat commonplace, which are adding a great deal of a burden to the American public.

Now many or several suggestions have been made. In fact, the administration has said they were going to send us some legislation. We haven't gotten it yet and I don't know when we will get it. But some of the commentators have suggested that maybe some ways to avoid this type of thing would be to do away with industrywide bargaining, to do away with this system where contracts expire simultaneously, and some of them, of course, go so far as to suggest that the only real solution to it is compulsory arbitration.

Do you have any comment to make to us with reference to this business of industrywide bargaining and simultaneous expiration of contracts?

Mr. WILLIAM CURTIN. The broader question, Congressman, rather than as applied to this dispute?

Mr. KORNEGAY. Yes, sir; on the broader question.

Mr. WILLIAM CURTIN. On the broader question?

Mr. KORNEGAY. In other words, would that help to avoid this type of stoppage, where the public becomes so much involved?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. KORNEGAY. To go back into history, so you will understand better what I am getting at, I guess as far as I know the principle of collective bargaining certainly was firmly established in the Wagner Act back in the thirties. At that time there was little or no industry-wide bargaining, and the principle envisioned the situation where the management and labor in a particular company of a particular concern through the process of collective bargaining and the economic forces that flowed therefrom should resolve their disputes.

Now, of course, in any situation such as that, somebody is being damaged, but not large segments of the public, as in the case now where you have all these major airlines at the same time. If only one of them were out at this time, while certainly some would be inconvenienced, the impact would not be nearly so great as it is today.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. KORNEGAY. I told Mr. Siemiller in my State of North Carolina that there is only one airport which gets any trunkline service at the present time, because United and Eastern serve all of them.

Now the point is, would it be a help not to have industrywide bargaining, not to have contracts that expire simultaneously?

Mr. WILLIAM CURTIN. Congressman Kornegay, I think that the answer pretty clearly is that if you don't have a large segment of an industry involved in bargaining, and, therefore, don't run the risk of a strike of that segment at the same time, then of course you are going to minimize the risks of the impact coming from a strike. But on the other hand, the alternative usually discussed is some sort of an individual employer bargaining requirement in the law. The great difficulty there, of course is that there is a tactic known as "whipsawing" or "leapfrogging" which occurs, and that has a tremendous public impact too, because that is the surest way to lead to inflationary contract settlements.

It also causes difficulty for the union, because it finds itself representing members in the same industry, and yet forced to improve upon contract A when it negotiates the contract with B, thus making for a disparity among its own members. That is one of the reasons that a union—

Mr. KORNEGAY. In other words, the boys leapfrog, but the one result is that you eliminate some of the forces of competition when you do that.

Mr. WILLIAM CURTIN. That is right.

Mr. KORNEGAY. For example, competing lines who are operating, there would be much more incentive on the part of the management of a struck company to get together and come up with a contract or an agreement, wouldn't you?

Mr. WILLIAM CURTIN. That is my point. That is why it would lead to inflationary settlements, yes sir.

Mr. KORNEGAY. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Cunningham.

Mr. CUNNINGHAM. Thank you, Mr. Chairman. Mr. Curtin, I somewhat agree with Mr. Dingell. I don't think there is any certainty that the committee is going to approve any legislation. My present mind is that I am going to vote against Senate Joint Resolution 186 and I think others may do the same, so I don't think that you can take

too much comfort in the fact that we are going to pass this, because that is something that has to yet be determined.

I would like to know, sir, I didn't know it had been testified that you were not actually an employee of the airlines but you are a specialist in this field.

Mr. WILLIAM CURTIN. In labor relations matters, yes sir.

Mr. CUNNINGHAM. Have the officials ever attended any of these bargaining sessions?

Mr. WILLIAM CURTIN. Every one, yes sir.

Mr. CUNNINGHAM. The airline officials along with you?

Mr. WILLIAM CURTIN. Oh, yes. The vice president of each of the airlines are here today and they have attended all of the bargaining sessions. I am simply their spokesman, sir. They constitute the real negotiators.

Mr. CUNNINGHAM. They what?

Mr. WILLIAM CURTIN. They constitute the real negotiating committee. I am simply their spokesman.

Mr. CUNNINGHAM. I see. Now last Monday I think you said late in the evening you got this package from the union.

Mr. WILLIAM CURTIN. Late in the afternoon, yes, sir.

Mr. CUNNINGHAM. What I am trying to do is find out the mechanics of how you fellows operate. You got this late in the afternoon. Then you and the representatives of the airlines sat down and determined whether you would talk about it or totally reject it or what your procedure would be, is that so?

Mr. WILLIAM CURTIN. The first thing that we do when we receive a proposal is attempt to find out what the cost of the proposal will be. We spent Monday evening doing that as well as discussing the other matters that you just mentioned.

Mr. CUNNINGHAM. Did you or the carriers have any concern over the fact that one-third of these union members didn't vote, and this information I received is that it was due primarily to the fact that they have other employment. I realize that all of these strikers are not mechanics, but are you concerned that the mechanics that do take other jobs, and I understand there are a great many, might not want to sit this out and might just leave this field for a job in another field? And many of them have jobs as mechanics in other fields.

Do you have any concern that they would ever return to you, that this has gone this far, and they are going to be settled in another job even if this strike is settled? Is that a concern of management?

Mr. WILLIAM CURTIN. I think we can say we are concerned about it, but I don't think it will happen. I think there may be some that do that, but generally speaking I think it is wise to recognize that this is a good industry to work for, and these people will return to their jobs.

As a matter of fact, this industry has a phenomenally low rate of turnover among its employees, less than 2 percent, so that I don't think there is any real danger there, though I would be less than honest if I told you we weren't concerned about it. Of course, we want our employees to return to their jobs, and we will do everything we can to induce them to do that, to persuade them to do that.

Mr. CUNNINGHAM. I recall in a hearing or reading in the paper one of the striking employees made a statement to the effect that they

must get a just settlement in this particular case because they don't envision that there will ever be another airline strike, and they want to make this settlement a good settlement. Now, do you know if there is any basis for that, and if so what it would be?

Mr. WILLIAM CURTIN. No, I had never heard that statement.

Mr. CUNNINGHAM. I think it was quoted in the paper, and they must have that feeling though I don't know why.

Mr. WILLIAM CURTIN. I don't either.

Mr. CUNNINGHAM. I thought maybe you could shed some light on it.

Mr. WILLIAM CURTIN. I frankly don't know. I would be simply speculating. I had not heard the statement and I don't know what the basis for it might be.

Mr. CUNNINGHAM. Did you hear it?

Mr. WILLIAM CURTIN. No, I had not.

Mr. CUNNINGHAM. Thank you very much, sir.

The CHAIRMAN. Is the gentleman finished?

Mr. CUNNINGHAM. Yes.

The CHAIRMAN. Mr. Rogers of Florida.

Mr. ROGERS of Florida. Thank you, Mr. Chairman. Mr. Curtin, there are a couple of things I want to ask. First of all we have heard about the pay scale. How does it compare, the airline industry pay scale, with other industries, would you say generally?

Mr. WILLIAM CURTIN. Very well, I would say generally.

Mr. ROGERS of Florida. Is it far out of line or not?

Mr. WILLIAM CURTIN. No, sir; I don't think it is far out of line. As a matter of fact, we have prepared an exhibit which we submitted to the Emergency Board, which is in the record of that proceeding. It is Carriers Exhibit No. 27, which shows a comparison with 22 other industries and based on data obtained from the Labor Department, the average rate for these five carriers places them first in the Nation.

Mr. ROGERS of Florida. Places them where?

Mr. WILLIAM CURTIN. For the last 5 years, first.

Mr. ROGERS of Florida. I won't take the time of the committee to ask further on that, but will you submit it for the record? It will be helpful.

Mr. WILLIAM CURTIN. I will be glad to do it.

(The information requested appears on p. 269.)

Mr. ROGERS of Florida. Let me ask you this. There has been discussion of the fact that the airlines have made a great deal of money.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. ROGERS of Florida. And according to some of your figures, they are up to what, 12.7 percent?

Mr. WILLIAM CURTIN. 12.3 in 1965 is the rate of return on investment.

Mr. ROGERS of Florida. Well now, what about employees getting some benefits from these profits? What is the position of the airlines on this? This has been going up.

Mr. WILLIAM CURTIN. Yes, sir. I mean we think that the contract we settled on reflected that fact, and we also think that the financial position of the industry was taken into account by the Emergency Board. That kind of evidence was submitted to the Board. They were fully aware of the financial posture of the economic health, the recent economic health of this industry. I am sure that they took that into account. They said so in their report.

Mr. ROGERS of Florida. Now as I understand it, you have the right to bind the industry to any agreement you make, but Mr. Siemiller by contract and by the constitution, I think, of his organization must take it back to his people for approval or ratification.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. ROGERS of Florida. Is that in your contracts as well?

Mr. WILLIAM CURTIN. No, it is not in our contract. It is in the agreement of August 9, when the union asked us to agree to bargain on a multiemployer basis; they informed us, they informed these five carriers that they would have to have ratification of any agreement reached, yes sir.

Mr. ROGERS of Florida. Now is there any way for the union to do otherwise, to get the membership to express confidence in their—I guess you wouldn't know that, but so that they could be bound? I don't know if there can ever be any meaningful negotiations unless the bargainers who are doing the negotiating can speak for the people that they are negotiating for.

I think this might be a problem, and I wondered if this is possible to meet by some agreement with the union people. I think this might be a problem too, Mr. Chairman, that might be gone into.

But I think we are now beginning to rehash everything in the committee, and I think it is time for the Congress to act.

Now let me ask you this. What would be the airline position if you agreed to a certain settlement? Suppose this legislation were passed, and on the basis of that, during this cooling off period, would the airlines be agreeable to going to that basis during this period of cooling off, if the Congress were to pass this thing?

Mr. WILLIAM CURTIN. We were asked that same type question in the Senate, and we have made the public assurance that it is the intention of these five carriers as the first order of business to sit down and agree upon an interim rate of pay, which would obviously be in excess of the—

Mr. ROGERS of Florida. In other words, there may be some reluctance here in the committee, I think, to say that the men should go back to work without some increase of pay right off during the cooling off period. You would be agreeable to—

Mr. WILLIAM CURTIN. Oh, yes sir.

Mr. ROGERS of Florida. The airlines would be agreeable to giving them something during this cooling off period.

Mr. WILLIAM CURTIN. More than agreeable. We would want to do it.

Mr. ROGERS of Florida. I think this ought to be explored, because the public is getting exasperated. They certainly are in my area. And I notice the Washington Post this morning very definitely said some action must be taken by the Congress. The Congress has got to respond to its responsibility to the public, and I hope these few areas could be explored and that the committee will go ahead and take some action to get this situation settled for the public. Thank you, Mr. Chairman.

Mr. FRIEDEL. Will the gentleman yield?

Mr. ROGERS of Florida. Yes.

Mr. FRIEDEL. Yesterday I made the request that on behalf of the American public both parties get together and I was asked the ques-

tion who would be the "bride." Well, evidently the wedding didn't take, and I am hoping that the wedding will take now after this discussion.

Mr. WILLIAM CURTIN. Mr. Chairman, might I have a moment to make a further response to Congressman Rogers?

The CHAIRMAN. Yes.

Mr. WILLIAM CURTIN. Because I think he has touched upon a critical question, that of ratification, and I would refer you, Congressman Rogers, to the 30th Annual Report of the National Mediation Board, which is an agency that has a great deal to do with collective bargaining in the airline and railroad industry, page 30 thereof, where the Board makes the comment that:

In other instances mediation proceeds for only a short time before it becomes apparent that the designated representative of one or both sides lacks the authority to negotiate the dispute to a conclusion. Mediation cannot proceed in an orderly fashion if the designated representatives do not have the authority to finally decide issues as the dispute is handled. The Board has a reasonable right to expect that the representatives designated by the parties to negotiate through the mediator will have full authority to execute an agreement when one is reached through amelioratory efforts. Another facet of this problem is the requirement that an agreement which has been negotiated by the designated representatives must be ratified by the membership of the organization. Failure of the employees in some instances to ratify the action of their designated representatives casts a doubt on the authority of these leaders and a question as to the extent to which they can negotiate settlement of disputes. In time this situation may have far reaching effects, unless corrected, for it is basic that negotiators must speak with authority which can be respected if agreements are to be concluded.

This is a critical question in this case.

The CHAIRMAN. When was that document written?

Mr. WILLIAM CURTIN. That is for the fiscal year ended June 30, 1964, and it is the 30th Annual Report of the National Mediation Board, Mr. Chairman.

The CHAIRMAN. Thank you. Mr. Broyhill.

Mr. BROYHILL. Thank you, Mr. Chairman. Mr. Curtin, you may have already responded to this question and I may have missed it in some way, but briefly what was your original offer at the beginning of the negotiations? I am thinking in terms of the total dollars involved.

Mr. WILLIAM CURTIN. I think the first offer which we made was valued at \$30 million. The second offer was valued at \$48 million. We then accepted the recommendations of the Emergency Board which were valued at \$76 million for a 42-month period.

Mr. BROYHILL. And these first two offers were over a 36-month period?

Mr. WILLIAM CURTIN. Yes, they were.

Mr. BROYHILL. How many days would it take the airlines to get into 100-percent operation?

Mr. WILLIAM CURTIN. About a week roughly.

Mr. BROYHILL. The union has asked for a cost of living escalator clause. Do the carriers have a profit-sharing plan in effect?

Mr. WILLIAM CURTIN. Well, the pension plans which they have in effect are related to the earnings of the employees. That profit-sharing plan has not been discussed in these negotiations, so I am sorry to say I am rather ignorant of those facts, sir.

Mr. KEITH. What did he say?

Mr. BROYHILL. I am sorry, I missed the answer there.

Mr. WILLIAM CURTIN. I simply don't know the answer to your question whether there are profit-sharing plans because they have not been in issue in these negotiations and I just don't know what the practice is. They have stock purchase plans, but they do not have profit-sharing plans.

Mr. BROYHILL. Do all of these carriers have stock purchase plans?

Mr. WILLIAM CURTIN. Three of the five.

Mr. KEITH. Will you yield?

Mr. BROYHILL. I will be delighted to yield.

Mr. KEITH. If you have, as you mentioned yesterday, a profit-sharing plan for the rank and file, it would take care of a great many of the problems that are confronting you now today in my view, and would provide a basis for a settlement that would encourage labor to work more efficiently, because they would be sharing in the profits, and in the losses when they were on strike.

The losses, I believe, are about \$5 million a week, according to the labor people here. Thank you.

Mr. BROYHILL. As I understand the answer to my question then, that is that either all or a number of the carriers do have profit-sharing plans which are tied to the pension plan.

Mr. WILLIAM CURTIN. No, sir; I am sorry. I have misled you, then. The pension program which each of the carriers have have a relationship to the level of earnings of the employes, so that as wage increases are made in each contract or each year, their participation in the pension program increases. Some of the carriers also have stock purchase plans. There is no profit sharing.

Mr. BROYHILL. Are these stock purchase plans just for the executives or are they for all employees?

Mr. WILLIAM CURTIN. For all employees.

Mr. BROYHILL. I agree with the gentleman from North Carolina, Mr. Kornegay, that we do have a public interest involved in this dispute, and I think the public is interested in what is going on; at least in my district a poll that was taken there, just completed recently, indicated that as high as 78 percent of the people who responded felt that some legislation is needed to deal with strikes that affect the national interest. There were varying degrees of opinion among these 78 percent, but the significant thing I thought was that only 14 percent felt that no legislation was needed. I know there are different opinions as there are I presume on this committee. However, I know of no committee in the House of Representatives that when it makes up its mind to move can move in one direction and speak with one voice. We have done this on many occasions. I certainly think that the gentleman from Michigan, Mr. Dingell, had some good points too, that legislation in this area, even though it may have to come, is not necessarily desirable for either side.

I think that this point needs to be reiterated. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Williams?

Mr. WILLIAMS. Thank you, Mr. Chairman.

Mr. Curtin, I may find myself in the minority with respect to this legislation. I look with a great deal of disfavor on the passage of this legislation at this time, because I feel that legislation dealing with a particular labor-management dispute would set a very dangerous precedent that can come back to haunt the Congress in future years.

Secondly, I think that this legislation on its face seriously threatens to weaken and perhaps ultimately to undermine the principle of free collective bargaining, and to substitute therefor a congressionally imposed system of compulsory arbitration.

On the other hand, I recognize by the same token the Congress must protect the public interest, and that it must weigh the disadvantages of this legislation against the necessity to remove impediments to the free movement of interstate commerce and protect the public's interest in the continuation of transportation services. So it appears to me that both parties are being given a choice today through the agreement on the part of both sides to attempt to work out a voluntary arbitration of this matter, because I think I know what the feeling in the Congress is, and I do not think that that feeling necessarily agrees with the position I have just expressed. I think that whether this committee acts or not, if this strike is not settled soon, I am afraid that this legislation may be petitioned away from this committee, because I think there are those in the House who are concerned about this situation who might force that upon us to take it away from this committee. So I would hope of course that both sides can reach some kind of agreement to arbitrate this matter voluntarily.

Now, with respect to the matter of sharing profits, I do not know whether that is properly a subject for negotiation or not as an issue, but on the other hand, I do feel that the level of productivity on the part of employees is a subject, a proper subject for negotiation, because it is the increased productivity of the employees which makes it possible for the companies to enjoy increasing profits.

Mr. Wirtz, at my request, has submitted to the committee some statistical data based on information received from the Civil Aeronautics Board and perhaps other sources, purporting to give us some indication as to what the level of productivity has been among the employees in this industry. In the prefacing statement he says that:

Since 1957 output has about doubled, and since 1962 the rate of growth has been accelerated.

He goes on further to say that:

Overall the increase in flight personnel has been about average for the industry in recent years with navigators in transoceanic flights and flight engineers being eliminated.

The number of mechanics has increased at less than the average rate for all employees since 1957.

But he goes on to say that "Aircraft and traffic servicing personnel have increased at much more than the average rate indicative of the increasing quality of air transportation equipment and"—the key word—"service."

To go over to the charts that he presented, and I think you have a copy in front of you, have you not?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. WILLIAMS. We go down to the figures at the bottom of the page.

Air transport industry output per employee, unit labor requirements output, we find that from 1957 to 1965, which I believe was the greatest single period of growth in the last 20 years at least in the aviation industry, we find that the output per employee has increased at an average annual rate of 7.6 percent, if I am reading this correctly.

Mr. WILLIAM CURTIN. I think you are.

Mr. WILLIAMS. We find that the output, of the employees per unit of output has decreased 7.1 percent, meaning that there has been an increase in employee output an average of 7.6 percent a year, yet the increase in the number of employees required to produce a unit of output, the output itself has increased at an average rate of 11.2 percent, while employment, the number of employments, I assume, has increased only 3.3 percent.

Now, going back to that opening statement, it would indicate that the number of mechanics, and I would presume that they are the people who are affected by this legislation, has not increased at as fast a rate of overall employment. Therefore, the output per mechanic, that is the productivity per mechanic obviously must have increased even at a greater rate than the increase in output per employee.

Now, I realize we cannot get into the attempt to settle the specific issues involved in this, and perhaps this is an unfair question, but does the 4.3 percent which is the figure that has been kicked around with respect to the settlement at the White House, properly reflect adequate compensation for the rate of increase of productivity on the part of the employees affected?

Mr. WILLIAM CURTIN. We think it does. We think that is the justification for entering into a settlement which exceeds, let's say, the guidelines figure or something close to the guidelines figure that this industry has enjoyed—

Mr. WILLIAMS. Let's forget about the guideline figure for just a moment.

Mr. WILLIAM CURTIN. The industry has enjoyed real increases in productivity and I am sure that you recognize when you are talking about productivity, that this is a concept which is something different than increased employee effort or efficiency.

Mr. WILLIAMS. I realize that.

Mr. WILLIAM CURTIN. The greatest contributing factor to this increase in output per employee per man-hour is that there are bigger, faster, and less maintenance requirements in flying planes. That is the simple fact of the matter.

Mr. WILLIAMS. Now, on the assumption that the employees are to be compensated at a rate lesser than their rate of increasing productivity, and the profits continue to increase at a greater rate, to the airlines—how do the airlines plan to dispose of those accelerated profits, in an industry which is regulated and operated, it is regulated by the Federal Government in the public interest?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. WILLIAMS. Is there any inclination on the part of the airlines to reflect this increased productivity perhaps over and above that which they have agreed to give the employees in the matter of a requested rate—

Mr. WILLIAM CURTIN. Yes, sir; let me say this to you, that the record of this industry, these five carriers, is clear on that point. From 1956 through 1965 there has been a steady decline in the yield revenue per passenger-mile, in the yield per freight ton-mile, in the yield per revenue ton-mile, so that there is an established history that indicates that the cost of these services to the public, to the consumer, is decreasing, and that that is one of the benefits that flows from increased productivity.

Mr. WILLIAMS. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Harvey.

Mr. HARVEY. Thank you, Mr. Chairman.

Mr. Curtin, you were here yesterday, I think, when I questioned Mr. Siemiller in this regard, but could you tell me what have the five airlines done to attempt to alleviate the hardship that is brought about by this strike, since its inception?

Mr. WILLIAM CURTIN. Congressman Harvey, the questions that you posed yesterday certainly prodded us to rethinking our position with regard to that question, and I am authorized on behalf of Trans-World Airlines, which is the carrier involved in this proceeding which has the right to fly across the Atlantic, to tell you that that air carrier, if we reach agreement with the IAM with respect to it, will resume operations across the Atlantic and bring those thousands of stranded Americans back, and we are very concerned about that problem.

Mr. HARVEY. I am certainly very glad to hear that.

Can you tell me how soon that will be in operation and how soon these people can expect to be brought back?

Mr. WILLIAM CURTIN. If the IAM agrees we can do it within 24 hours, we can start the operation.

Mr. HARVEY. Is Mr. Siemiller in the room here right now? I think we can ask him later in that case, but I understood from his testimony yesterday in any event that they were agreeable and did recognize a responsibility to these people who had been stranded in these countries.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. HARVEY. Let me ask you this: What procedure have these five airlines set up if any, for the handling of hardship cases domestically in this country?

Mr. WILLIAM CURTIN. Well, of course, as you recognize, we are struck. The only thing we can do is offer our services in trying to help people who are in distress and who have been inconvenienced, to find reservations on other lines. That is to the extent of our ability to do so. One of the other airlines has made an effort which has been the subject of a prolonged dispute during the strike to carry military passengers who are on leave. It has been a real dispute between that carrier and the IAM with respect to it, but nevertheless that carrier has continued to fly what we would regard as compassionate flights for military personnel who are home on leave and who wish to travel at the reduced fare, half fare, and who usually have limited times to get to their homes and the like.

Mr. HARVEY. I understood Mr. Siemiller's testimony yesterday that the union was very agreeable, he said they would work for free if necessary to fly people across the country as need be for emergency cases, for emergency medical treatment, for instances such as a death in the family and other cases. It seems to me that this is the responsibility of both management and the airlines. I do not think because the union goes on strike the management can thereby absolve itself of the responsibility to the public anymore than the unions themselves. Now it seems to me there ought to be some central office for the five airlines or all the airlines where they handle emergency cases in a period such as this.

Can you tell me whether any such office or clearinghouse for requests has been set up?

Mr. WILLIAM CURTIN. All the reservations offices of these airlines and those personnel to the extent that they are needed are working, and when we get these calls from people who regularly travel on our lines, or whoever they may be, we do everything in our power in terms of our knowledge of the industry and its routing and what the other carriers are doing to find these people space and to get them where they need to go.

Mr. HARVEY. Let me ask you this: In your negotiations with Mr. Siemiller, have you ever sat down and discussed how this strike affects the public in these various hardship cases, the one I cited to you yesterday, the one requiring medical treatment and flying a boy back, the death cases, the overseas cases and so forth? Have you discussed all these and said we ought to be able to work out something while the strike is going on to help the public?

Mr. WILLIAM CURTIN. Well, the one matter that has been discussed, and with notable lack of success as I indicated to you, is one of the carriers' attempts to fly military personnel who are on leave. We have problems, of course, as you might recognize, with other unions in terms of crossing picket lines and the like. I wish that we paid more attention to the question.

Mr. HARVEY. You have been in the business of negotiating a long time.

Mr. WILLIAM CURTIN. Yes.

Mr. HARVEY. But you do not think that the unions are going to be so calloused to human rights that they are going to worry about crossing picket lines where someone's life or death is involved? I cannot believe that for one minute. I do not believe either unions or management have truly concerned themselves with how this matter affects the public. I think this is a very legitimate area of concern for this committee, because I agree that the American public is getting shocked at the calloused disregard of both management and unions as to the effects of the strike on the public.

Mr. WILLIAM CURTIN. I would certainly agree that it is a legitimate question for the public interest and public representatives to be concerned about, and I would also agree with you that if we knew of a hardship case such as the one you raised yesterday, that I cannot believe that the union would not agree with us that we could not find some way to take care of those individual situations.

Mr. HARVEY. Don't you agree with me that that is a legitimate area of discussion, at the inception of any strike between union and management—

Mr. WILLIAM CURTIN. Yes, sir.

Mr. HARVEY. As to how the needs of the public are going to be met.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. HARVEY. And as I understand it this situation has not been discussed at any length in these negotiations.

Mr. WILLIAM CURTIN. It may reflect the fact that we are short-sighted, but we did discuss, of course, the five carriers and the IAM as to cooperation with the Department of Defense concerning these flights.

Mr. HARVEY. I certainly want to congratulate you and the union. I hope that many of these passengers who have been left in Europe and other countries are going to be picked up and flown home.

Mr. WILLIAM CURTIN. We are willing to do it.

Mr. HARVEY. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas, Mr. Pickle.

Mr. PICKLE. Thank you, Mr. Chairman.

Mr. Curtin, if I understood correctly, in answer to a question of the gentleman from Florida, Mr. Rogers, he had reference to Senate Joint Resolution 186, on which you said that if this legislation was passed, your people would go back to work and start flying, and that the wages, the increased wages would be effective the first day of operation, in the ultimate settlement. Is that generally a correct statement?

Mr. WILLIAM CURTIN. Yes, that we would sit down—

Mr. PICKLE. Now, let me ask you with reference to what the chairman has suggested earlier, with a voluntary mediation, I am assuming that your planes would start flying tomorrow and that you were agreeable to an increase in wages, at least that which was agreed to in July.

Mr. WILLIAM CURTIN. No, sir; I did not mean that. I meant that there would be an interim rate of pay which would be in excess of the rates of pay paid under the expired contracts but it would not necessarily be what we have agreed to. I think the same principles would apply in terms of arbitration.

Mr. PICKLE. You have already offered an increase of approximately 4.3 or 4.7.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. PICKLE. My question is if you agreed voluntarily to go back to work, would your people at least pay that amount as a minimum, pending the ultimate settlement?

Mr. WILLIAM CURTIN. No, sir. We would offer to pay wages which exceeded those under the old contracts, but not necessarily the wages which we have neglected to at this point.

Mr. PICKLE. Why wouldn't you because you have already offered that and agreed to it.

Mr. WILLIAM CURTIN. I know, but we have to have some inducements to reach a further agreement, Congressman Pickle. That is the reason.

Mr. PICKLE. Let me ask Mr. Siemiller—he has come back in the room—if you decided that you would voluntarily go to work tomorrow, would your men return to work if the first day they started work they could at least have the amount that was agreed to on the last day of settlement that your people turned down?

Mr. SIEMILLER. The amount of money would not bother at all the people, whether they got it then or whether it was retroactive to some other date. It would not affect them at all if or not they went back to work on this. The press unfortunately has got a misconception of what I agreed to. The wires are full that I have agreed to arbitration. I did not make any such agreement here. I said that I would submit any unresolved issues to the membership and ask them if they wanted to authorize me to agree to voluntarily agree to arbitrate the unresolved issues. The phone lines are jammed at our headquarters. There are calls coming in from all over the United States. The Bell System is making a fortune because somebody misunderstood what I said here this morning. But in answer to your question, sir, if or not the carriers agreed to put into effect the 5 percent for the first—their agreement was for the first 18 months of the existing contract, and pay the retroactive pay to January 1, 1966, whether or not they agreed

to do that would not be material in regard to a settlement, because sooner or later they would pay it, and it would be retroactive.

Mr. PICKLE. Then I am assuming a point has been raised that it would not be fair to the worker if he had either a cooling off under S.J. Res. 186 or a voluntary mediation that would be binding, that the amount of increased wages is not important, that you—I assume neither one of you are agreeable to any set amount of wages for the workers to return immediately.

Mr. WILLIAM CURTIN. I think we could work it out.

Mr. PICKLE. That is unfortunate, it seems to me, but nevertheless that is your answer. Now there has been talk about the profits, and that you have gone up as much as 12 percent. It seems to me like the matter of losses could be fairly mentioned here. I have heard it mentioned, I believe during the hearing, that the industry has suffered something like a \$240 or a \$250 million loss. Am I correct, or what is the sum?

Mr. WILLIAM CURTIN. It is running at a rate of \$8 million a day, so that you are exactly correct. It is in the neighborhood of—

Mr. PICKLE. Every day that this is not settled, it is costing the industry \$8 million a day.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. PICKLE. Mr. Curtin, to me that would be a sizable sum.

Mr. WILLIAM CURTIN. It is a sizable sum. We are not happy at all with the situation.

Mr. PICKLE. I do not know how your industry can exist or that the workers can get along without being employed. That is one of these imponderables and unanswerables, I guess, in this strike negotiation.

Now can you answer a question yesterday that I asked, I would like to have a further clarification of it. The 4.3 or 4.7 increase, whichever it is, I assume represented a total of a \$74 million increase in payments on your part?

Mr. WILLIAM CURTIN. That is right.

Mr. PICKLE. If you acceded to the \$112 million, overall total on the same comparable basis, what would that mean now, if you did pay out the \$112 million, in percentage?

Mr. WILLIAM CURTIN. I do not have the answer to that, I am sorry. The only percentages that I figured in this respect are that the offer, the settlement upon which we agreed exceeded the cost of the Emergency Board recommendation by 13 percent, and that \$112 million figure to which you have referred exceeds the cost of the Emergency Board recommendation by 74 to 75 percent, not including any cost attribution to an escalator clause, because it cannot be predicted.

Mr. PICKLE. Am I correct in saying that it would be approximately twice the increase in the guidelines?

Mr. WILLIAM CURTIN. I think it might, yes, sir.

Mr. PICKLE. Well, it seems to me, Mr. Chairman, that we are faced with a matter of national interest, whether you want to call it a national emergency or just a substantial interruption of interstate commerce, it seems to me that the national interest is directly involved and it cannot be classified as just a local matter, certainly when it has been said here in the opinion of some members of this committee that the majority of Congress will vote out some kind of a bill or take it away from us, so it must not be a local matter. It must be felt very keenly by the American public.

Mr. MACDONALD. Will the gentleman yield?

Mr. PICKLE. Yes.

Mr. MACDONALD. Mr. Siemiller, would you care to comment as to the estimate of the five carriers' loss? That figure seems awfully high to me.

Mr. SIEMILLER. The figure used was \$8 million here just now. That would be loss of revenue. They do \$8 million worth of business a day, but out of that, they pay tremendous expenses, and that is not \$8 million worth of profit. It is not \$8 million worth of loss to anybody, because a good many of the people are not traveling and it is in the pockets of workers and other people to buy groceries today, so it is just like a lot of other figures that you get in here.

Congressman Macdonald, let me point out that they keep talking about the amount of moneys, the billions of dollars. They are talking about that over a 3-year period, and then when we talk about the profits of the carriers, it is a 1-year period that we get into, so there are some great discrepancies in figures that are being tossed around here.

It has been said by some of your people before, I believe by Congressman Moss, it is pretty difficult to understand the complications of all of the figures used and the issues involved unless you have lived with it like we have.

Thank you for that opportunity.

The CHAIRMAN. Dr. Carter.

Mr. CARTER. Were you advised by the National Mediation Board or the administration not to exceed the guidelines?

Mr. WILLIAM CURTIN. No, sir.

Mr. CARTER. That did not have any effect on your mediation at all?

Mr. WILLIAM CURTIN. I think that the carriers were very conscious of the fact that the Nation and its representatives are concerned with inflationary results. Yes.

Mr. CARTER. Do you feel if you had granted the union request of \$112 million over a 3-year period, that it would be inflationary?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. CARTER. At the present time, it is stated that we have from 6,000 to 16,000 people stranded in Europe. Is that true?

Mr. WILLIAM CURTIN. It is, according to my information.

Mr. CARTER. And 150,000 people each day are displaced, according to their mode of travel; is that true?

Mr. WILLIAM CURTIN. 150,000 people who were traveling on these airlines are either not traveling or are finding space elsewhere. Something is happening to them.

Mr. CARTER. Up to the present time, according, I believe, to Secretary Wirtz, it has cost approximately \$254.2 million.

Mr. WILLIAM CURTIN. Yes; I think that would be a figure derived from the \$8.2 million lost revenue testimony.

Mr. CARTER. And that the postal service has been disrupted a great deal; is that true?

Mr. WILLIAM CURTIN. He testified that it has been delayed; yes, sir.

Mr. CARTER. And that at the present time, we have veterans from Vietnam in California who are unable to get back to their homes. They have been delayed there for days in some cases.

Mr. WILLIAM CURTIN. These carriers carried on the average 7,000 such military servicemen each day, before the strike.

Mr. CARTER. It seems to me something must be done in the national interest, and this might be an appropriate national emergency. Certainly, I do not think the Congress wants to do this, but I think it must do something. It is approaching that. It is my hope, and I feel it is the hope of the committee, that something should be worked out at once. Otherwise, we must proceed.

Thank you. I yield back the balance of my time.

The CHAIRMAN. Thank you, Dr. Carter.

Mr. PICKLE. I wonder if the gentleman will yield to me if he has any time?

Mr. CARTER. Yes.

Mr. PICKLE. Could you give me an estimate of the amount of time that would be involved if you actually did go to voluntary mediation which seems to me might be a little hazier than we thought a while ago.

But under the regulations, you select one and the machinists select one and then, if there is no agreement and we are led to believe there wouldn't be a quick agreement, if there was an attempt to drag this out, it would be, what, 5 additional days?

Mr. WILLIAM CURTIN. If we were to use the procedures?

Mr. PICKLE. What I am trying to get at, that it takes 3, 4, or 5 days to get a vote, and they said they want to be slower than they were before. Then we talk about another 5 days.

Are we talking as a minimum of, would you say, 2 weeks?

Mr. WILLIAM CURTIN. I would think more than that, but as I understood the proposition advanced by the chairman, it would contemplate a resumption of the operations, a return to work by the employees while the arbitration procedure was going forward, so that the only delay that I could see, if we were able to agree and accept the principle, would be the delay incurred in obtaining the ratification vote by the membership.

Mr. PICKLE. Thank you.

Mr. FARNSLEY. Would the gentleman yield, if he has a second?

Mr. CARTER. Yes, sir, I yield.

Mr. FARNSLEY. I think it has been said there is 12 and a fraction percent profit. Is that before or after taxes?

Mr. WILLIAM CURTIN. It is a rate of return on investment, and it is a figure issued by the Civil Aeronautics Board.

Mr. FARNSLEY. Is there any profit here that is above or after taxes? That is part of the bargaining?

Mr. WILLIAM CURTIN. It is after taxes.

Mr. FARNSLEY. It's after taxes. What are the taxes; 50 percent, 52 percent, 48 percent?

Mr. WILLIAM CURTIN. We can furnish that information to you.

Mr. KEITH. Is it 46 or 48 percent? Does someone know what the corporate tax is when you get above \$25,000 a year?

Mr. FARNSLEY. I know what it is, but I am not going to tell.

Mr. KEITH. Forty-eight percent?

The CHAIRMAN. Do you have that information?

Mr. WILLIAM CURTIN. I don't have it here, but I would be glad to furnish it to the committee.

The CHAIRMAN. Mr. Satterfield.

Mr. SATTERFIELD. Thank you, Mr. Chairman.

I would like to yield to the gentleman from Mississippi. He was developing a point when his time ran out.

Mr. WILLIAMS. Mr. Satterfield, thank you.

Mr. Curtin, in asking these questions with regard to productivity, profits, and expansion of the industry, and so forth, I hope you won't get the idea that I am inclined toward socialism. I expect I have just about the best record in Congress in support of the system of free enterprise as anyone in this body, but I do feel that since under our system these matters apparently are taken into consideration with respect to collective bargaining and labor-management problems, then I do think that perhaps the whole story should be laid on the table.

There is one element that has not been—there is one factor that has not been put into the record which I feel perhaps ought to be considered as an element in determining the increase in profits, productivity, and expansion of the airlines, and that is the question of stock appreciation, which certainly must be considered as an element of profit to the stockholders.

As I understand it, this contract went into effect on or about 1963, I believe January 1963. Was that the last contract? Is that correct?

Mr. WILLIAM CURTIN. Yes; I believe so.

Mr. WILLIAMS. Now, are you in a position to give us the market value of the stock of these corporations on the date that this went into effect, and what it was on the day that the settlement was made at the White House?

Mr. WILLIAM CURTIN. I am in a position to find that out for you. I am not in a position to give it to you now.

(The information requested, when supplied, will be found in the committee files.)

Mr. WILLIAMS. I would hope you would put that in the record. I believe it has appreciated considerably.

Mr. WILLIAM CURTIN. I think it has.

Mr. WILLIAMS. Do you feel I am correct in assuming that that is an additional element of profit for the stockholders, in the appreciation of the stock?

Mr. WILLIAM CURTIN. To the stockholders, yes.

Mr. WILLIAMS. I am not speaking of that with respect to this dispute or not—

Mr. ADAMS. Will the gentleman yield to me?

Mr. WILLIAMS. Just briefly. I promised Mr. Moss I would yield to him and then when he gets through, I will yield to you.

Mr. MOSS. Mr. Curtin, in response to a request by Congressman Williams, you stated that the rate of revenue per passenger mile had declined. Now, as a regular user of airlines, excepting for a slight change occurring as the result of tax adjustment, I don't recall that the rate I am paying has declined. And isn't it a fact that that rate of revenue per passenger mile has declined for two reasons? Much larger planes and promotional fare efforts to take up the empty seats, rather than through direct reduction in the cost of first-class passengers?

Mr. WILLIAM CURTIN. Yes, I think that is true, that the reductions as they relate to ticket prices, at least to my knowledge—

Mr. MOSS. And this is illustrative of the real problem of a committee attempting to get at the clear facts, to isolate them and understand them?

Mr. WILLIAM CURTIN. I wouldn't suggest for the moment that it is not a question that the committee couldn't concern itself with, but

I think you are fully aware that the Civil Aeronautics Board exists to determine such questions.

Mr. Moss. Oh, you realize that we only delegated to the CAB our authority, never our responsibility?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. Moss. I think we very much have a right and a need to concern ourselves with all of the questions germane to the totality of the operation, because the confusion imposes on us the responsibility to represent Congress, not in the executive or the CAB.

Mr. DINGELL. I would like to have enumerated the promotional devices used. You have second-class fare, family plans. You have "under 21" plans, you have standby plans. What other devices do you have?

Mr. WILLIAM CURTIN. The only other one that occurs to me, Congressman Dingell, is the excursion plan.

Mr. DINGELL. The excursion plan?

Mr. WILLIAM CURTIN. I think that is what it is called.

Mr. DINGELL. Could you give us any breakdown of what the loss of revenue or gain of revenue is to the carriers thereby?

Mr. WILLIAM CURTIN. Yes.

Mr. DINGELL. Perhaps you can't do it this morning but can you make it available to this committee so we can scrutinize what the impact of this is on fares and rates of return to the carriers?

Mr. WILLIAM CURTIN. Yes.

Mr. DINGELL. Thank you.

Mr. ADAMS. Now, will the gentleman yield? I would like to question Mr. Curtin whether or not you accept as accurate the figures that appear in the Congressional Record at page 101: \$17,510 to \$17,511, put in by Senator Douglas, which indicate the operating profits, net income before taxes, net income after taxes, and so on, and reading a table, and on the point that Mr. Williams raised, it shows that the closing stock prices on the airlines for August 4, 1964, 1965, and 1966:

In 1966, as of June 30, indicates an increase in Eastern, for example, from 1964 to 1966, from $30\frac{3}{8}$ to $104\frac{1}{8}$; National, from 51 to $84\frac{1}{4}$; Northwest, from $56\frac{1}{2}$ to $113\frac{1}{2}$; TWA, from $41\frac{3}{8}$ to $89\frac{5}{8}$; United, $48\frac{1}{2}$ to 64, with a stock split of 2 to 1 in the middle of last year.

Are those approximately accurate?

Mr. WILLIAM CURTIN. I accept them as accurate because I don't know anything differently, but I will be glad to check those in the record.

Mr. ADAMS. Do you have any differences of opinion as to whether or not those are accurate?

Mr. PICKLE. A parliamentary inquiry, Mr. Chairman.

When we started the meeting, it was my understanding or at least it was from having talked to you and other members that we were going to try hopefully to go into executive session at 11 o'clock. I wonder if the Chair would be agreeable to a unanimous-consent request that we go into executive session at 11:30 o'clock this morning?

The CHAIRMAN. I would object to that due to the fact that I want every man to have his time, as you did and the rest that are in here.

Mr. PICKLE. I wonder if the gentlemen who have not asked questions—there are five or six of them—if they have questions to ask, if they would want to exceed this time.

Mr. FARNSELY. I couldn't hear the last part of that.

The CHAIRMAN. We will have to let that be determined later on.

Mr. WATSON?

Mr. WATSON. Thank you, Mr. Chairman.

Mr. CURTIN, we have had considerable discussion about the percentage of profits, and so forth. I believe it is rather axiomatic if this strike continues, the profit here is going to be considerably under what it was last year.

Mr. WILLIAM CURTIN. Even if it doesn't continue, I would say the profits for this year will be considerably less.

Mr. WATSON. They will be less, that is, unless the rates are increased sufficiently to offset the some 10 percent loss of profits you have experienced thus far during this strike.

Now, I believe earlier you pointed out the recommendation of the Emergency Board on June 8. You agree to that despite the fact it was more than double what you initially offered?

Mr. WILLIAM CURTIN. That is right.

Mr. WATSON. And the settlement which was agreed to on July 29, the carriers agreed to that.

Mr. WILLIAM CURTIN. Yes, we did.

Mr. WATSON. Now, you mentioned the loss of daily revenue at \$8 million.

Mr. WILLIAM CURTIN. That is right.

Mr. WATSON. Does that include your fixed costs that are continuing to run during the period of this strike, such as your payments on the planes and such as that?

Mr. WILLIAM CURTIN. No, sir.

Mr. WATSON. Do you have an estimate as to what that cost is?

Mr. WILLIAM CURTIN. No, I don't. I will be glad to get it for you.

(The information requested, when supplied, will be found in the committee files.)

Mr. WATSON. If you will.

Now, there are five airlines on strike. I do not know whether this point has been developed or not. There are a number of them that are not on strike. Could you give us some reason why they are not on strike, and some comparative rates of the pay of the machinists on the nonstruck airlines at this time?

Mr. WILLIAM CURTIN. Yes. There are three other domestic trunklines where the IAM, where this union represents the maintenance workers and mechanical employees, those three other carriers are Continental, Braniff, and Northeast, and they did not choose to agree with the union's request to enter into joint bargaining, and therefore, their contracts, which expired on December 31 of last year at the same time our contracts expired, have not been renegotiated, and they are still under the procedures of the Railroad Labor Act in some places.

There has been no board appointed, so far as I know, no proffer of arbitration. I think they are in mediation but they have not been placed on strike.

Mr. WATSON. But it might be a little difficult to get those figures. They might be helpful if we could have a comparison of the wages of the machinists in the nonstruck airlines as compared with those of the five struck airlines.

Mr. WILLIAM CURTIN. I would say they are comparable.

Mr. WATSON. They are comparable?

Mr. WILLIAM CURTIN. Yes, sir, Congressman Watson.

Mr. WATSON. Now, we can agree on one thing, the passage of this legislation, regardless of how distasteful it might be, will result in first a resumption of the service.

We can agree on that?

Mr. WILLIAM CURTIN. Yes.

Mr. WATSON. And, secondly, do you believe that the passage of this legislation will result in an expeditious settlement between or among the various parties?

Mr. WILLIAM CURTIN. We share the Secretary of Labor's hope that that is exactly what will happen.

Mr. WATSON. That it would.

Now, of course, those on the other side certainly feel that that would not result.

Mr. WILLIAM CURTIN. Yes.

Mr. WATSON. Now, the Chairman mentioned earlier that if this legislation is passed, there will be no winners, as I recall it.

Mr. WILLIAM CURTIN. Yes, he did.

Mr. WATSON. Now, let me ask you this. If this strike continued, will there be any winners?

Mr. WILLIAM CURTIN. It is axiomatic in labor relations that nobody wins in a strike.

Mr. WATSON. That is right; so, apparently, since the parties are unable to get together, the public is being seriously damaged down our way and I am sure in other areas, and apparently, there is no recourse but for this Congress to take action, since apparently the parties are unable to make free collective bargaining work.

Mr. WILLIAM CURTIN. That is right.

Mr. WATSON. And I assure you, as I assure the committee, I for one am ready to proceed in that direction immediately. I think this committee has been more than generous in its pleas to the parties to negotiate and prove to the country that collective bargaining will work.

The Secretary of Labor said negotiations to this point have proven that collective bargaining isn't going to work, so I think someone has got to grab the bull by the horns and I, for one, am ready to move.

Thank you very much.

The CHAIRMAN. Mr. Huot.

Mr. HUOT. Mr. Curtin, yesterday Mr. Siemiller indicated that if this legislation was to be rejected, that negotiations and agreements could be reached probably more quickly. You have indicated that if this legislation was to pass, and in the period of 150 days an agreement would probably be reached. Why do you feel there is still the threat that this would come back to the Congress for further legislation? What makes you confident that an agreement could be reached within this 150 days?

Mr. WILLIAM CURTIN. I believe the reason for my belief, Congressman, is that we would be back in an atmosphere of sanity instead of the situation in which we find ourselves right now. If the employees are working and earning their livelihood, if the carriers are operating, it relieves pressures and distractions which definitely do exist in a prolonged strike. It allows the parties to resume their talks, in my judgment, on a reasonable rational basis, and we have reached agreement

with this union once in this dispute, and I would hope that we could do it again.

Mr. HUOT. Also, yesterday, Mr. Siemiller indicated that the unions, in an effort to help their workers, have certain benefits that they pay their workers. I think he indicated that they pay \$25 a week.

Mr. WILLIAM CURTIN. Yes.

Mr. HUOT. Help their employees. Do the carriers have any type of insurance or coverage to help them in covering profits or operations expenses?

Mr. WILLIAM CURTIN. While they are on strike, you mean?

Mr. HUOT. Yes.

Mr. WILLIAM CURTIN. Nothing other than required by law. Oh, helping the carriers?

Mr. HUOT. Yes.

Mr. WILLIAM CURTIN. Excuse me. I'm sorry. I thought you were talking about the striking employees.

Mr. HUOT. No, the carriers.

Mr. WILLIAM CURTIN. There is a mutual aid pact with which four of these carriers are involved, and which a number of companies in the industry have an arrangement by which they pay some sort of a minimal expenditure to carriers that are on strike, to cover certain basic costs.

Mr. HUOT. Would you have any idea what this amounts to in money that is being paid?

Mr. WILLIAM CURTIN. I don't think any has been paid.

Mr. HUOT. You are saying this fund is being paid to carriers who are now on strike?

Mr. WILLIAM CURTIN. Yes.

Mr. HUOT. They are receiving benefits?

Mr. WILLIAM CURTIN. They are not receiving it now, in my judgment. It presumably would be something that would be determined after the strike is concluded, that is right.

Mr. HUOT. You have no idea of what this could amount to? It would depend, would it, on the length of the strike?

Mr. WILLIAM CURTIN. I don't. We might be able to come to a figure for you. This is an arrangement which has been approved by the Civil Aeronautics Board, and it relates, as I understand it—and, frankly, I am not that familiar with it—but, as I understand it, it relates basically to the increases in revenue enjoyed by other carriers because of the existence of the strike.

Mr. HUOT. You mentioned that four carriers were not in this pact?

Mr. WILLIAM CURTIN. Four of these five, yes. There are others, too.

Mr. HUOT. Four of the five carriers that are on strike?

Mr. WILLIAM CURTIN. Yes.

Mr. HUOT. Are they in a pact with other carriers who are not? Are other carriers that are not on strike in this same package?

Mr. WILLIAM CURTIN. Yes.

The CHAIRMAN. Mr. Mackay.

Mr. MACKAY. Thank you, Mr. Chairman.

Mr. Curtin, all the communications that I have received from labor organizations have protested that the passage of this resolution would give a distinct advantage to management in negotiations. How would you respond to that?

Mr. WILLIAM CURTIN. I don't think so. I think anytime that we have our employees back working for us without an agreement cover-

ing them that is satisfactory to them, we have a situation which can hardly be described as advantageous to management. We are anxious to reach an agreement, so that this matter can be resolved.

Mr. MACKAY. Second, this present situation is really without precedent, isn't it?

Mr. WILLIAM CURTIN. Well, it is as far as I know, yes. It certainly is, as far as I know, in this industry.

Mr. MACKAY. Third, the passage of this type of legislation, which just deals with a situation, rather than the general situation of labor-management relations, would also be without precedent, wouldn't it?

Mr. WILLIAM CURTIN. No, sir. In 1963, the Congress passed a law which related to a single dispute.

Mr. MACKAY. What law was that?

Mr. WILLIAM CURTIN. The number of the Public Law is 88-108. It's the one that related to the compulsory arbitration of a railroad dispute.

Mr. MACKAY. Do you recall that President Johnson, in his address to Congress, said that he would send over legislation to prevent public inconvenience in labor disputes of this kind?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. MACKAY. And you recall that received very warm applause from the Congress. Are you in a position, in your present employment, to say whether or not management believes that such legislation could be devised that would protect the rights of the parties and the public?

Mr. WILLIAM CURTIN. Well, I know that it is a matter which has concerned management for a number of years, and which they have continued to look at. I am under the opinion that the Air Transport Association, which is the association of which all these carriers are members, have never taken a position, a public position, as to a particular type of permanent legislation that would resolve this. It is a difficult question.

Mr. MACKAY. This is your field, labor-management relations?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. MACKAY. You are just bewildered like Secretary Wirtz; is that the way to state it?

Mr. WILLIAM CURTIN. Yes. I think that there are real problems in trying to come up with a legislative recommendation in this area. We certainly have another reason after this dispute to look at that problem and perhaps even to accept some of the disadvantages of it, if we can avoid the situation that we are in today.

Mr. MACKAY. Now, all of us who fly a great deal are very sensitive on the subject of air safety.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. MACKAY. And we appreciate the degree of safety that we have attained.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. MACKAY. I have heard constituents say that they are concerned about Congress ordering people to work on sophisticated machines like aircraft involuntarily. Does this concern you?

Mr. WILLIAM CURTIN. No, I don't believe it does, because it is the opinion of the five carriers that their employees are not going to do the slightest thing which would risk the safety of the traveling public, whatever our dispute may be. That has been an axiom in this

particular industry and in this particular field for many, many years, that labor relations problems between the employer and the employees have never had any relationship to the question of safety.

I can't believe it would happen now.

Mr. MACKAY. And, finally, on the subject of voluntary arbitration that we opened up with this morning, at all times management has stood ready to enter into voluntary binding arbitration?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. MACKAY. And I understood Mr. Siemiller to say that subject to the approval of his constituency, that they would consider this. Does this mean that most of the issues are agreed upon, and that only part of the issues would have to be submitted to voluntary binding arbitration?

Mr. WILLIAM CURTIN. Certainly, not all of the issues which were between us when we commenced these negotiations would have to be submitted.

Mr. MACKAY. Could you say what percentage of the issues are agreed on?

Mr. WILLIAM CURTIN. Just a roundhouse figure, half of the issues between us wouldn't have to be arbitrated, certainly. I think that that is something that we could agree upon.

Mr. MACKAY. Would you say that voluntary arbitration would be preferable to congressional intervention?

Mr. WILLIAM CURTIN. Yes, sir; I would.

Mr. MACKAY. No further questions, Mr. Chairman.

The CHAIRMAN. I didn't hear the last question, Mr. Mackay.

Mr. MACKAY. When he would say that voluntary binding arbitration would be preferable to congressional intervention.

The CHAIRMAN. Thank you.

Mr. Gilligan.

Mr. GILLIGAN. Thank you, Mr. Chairman.

I might say rather facetiously at the outset, picking up the point of Mr. Mackay about safety, that my wife, who isn't particularly fond of flying, believes it absolutely necessary to fly on airlines having contented mechanics, but maybe that will enter the advertising picture in the next couple of years.

I don't know how good I am as a legislator, but I don't think I am any better as a mediator, and while there is talk of the terms and the problems which divide the parties in this, I would like to turn for the moment at the proposition that is before us, whether or not this resolution should be recommended by this committee to the House for adoption.

Would you describe this resolution, if adopted, as a legislative injunction?

Mr. WILLIAM CURTIN. I would not. I would describe it as a law which required the parties to return to the status quo which they enjoyed before the strike, and which requires return to the collective bargaining process.

Mr. GILLIGAN. If management in a labor dispute goes to court and seeks an injunction to make the workers return to the production line, or whatever, does the end effect of that court-issued injunction differ in any way from this type of injunction?

Mr. WILLIAM CURTIN. I think so, because at least in many of those cases, it is an injunction which simply requires the employees to do something, and there is no further recourse.

This is a law, as I read it, a bill, as I read it, which would require a return to the status quo, and the obligation on both parties to resume collective bargaining, to finally resolve the problems.

Mr. GILLIGAN. Let us assume for a moment that this were adopted, and the workers returned, and at the end of all of the various periods, one project and another, we arrive at the end of 5 months, that if at that time, as I read this in section 4, an agreement has not been reached 30 days prior to the expiration of the final period of time provided in section 3:

The Board shall make a final report with recommendations to the President which shall be transmitted to the Congress by the President, along with a full and complete report of the dispute—

And we have full and complete reports of the dispute up to now—and his recommendations regarding terms or procedures which will assist in the final settlement of this dispute in the public interest, and without further interruption of the continuity of transportation services by these carriers.

Does that imply to you a further injunction of one type or another against the workers going out at that point, if no resolution has been arrived at?

Mr. WILLIAM CURTIN. It indicates to me that the President is charged with the responsibility of giving this Congress his best advice as to what can be done to prevent further interruption of these services. I think it obviously would require additional legislative action to respond to act upon those recommendations.

Mr. GILLIGAN. If there is to be no interruption of services, it would seem to me the clear inference is that the workers must be kept on the job, and therefore, they cannot strike, that this is clear inference, whether this be done today or done in 5 months or done in 6 months. The clear inference is that the primary responsibility by the Congress to the President and then, in turn, by the President to the Congress, is to keep the airlines functioning and to keep these workers on the job, whether or not the dispute has been finally settled.

Mr. WILLIAM CURTIN. It seems to me that what the legislation requires is that he report to you how this might be done in the event we don't have a settlement, and that the Congress decide whether or not it should.

Mr. MACDONALD (presiding). The time of the gentleman has expired.

Mr. Farnsley.

Mr. FARNSLEY. Thank you, Mr. Chairman.

The difference between the dollars you told us the other day, and I understand that is over 3 years, can you tell me the difference between you all in dollars over 1 year? Or what was it over 3 years, and we will divide it in three?

Mr. WILLIAM CURTIN. Yes, sir. That is what I would do. The difference is between \$74 and \$112 million, plus an indeterminate cost attributable to an escalator provision. So that is \$38 million, plus an unknown, between us.

Mr. FARNSLEY. \$38 million a year?

Mr. WILLIAM CURTIN. \$38 million for the 3 years.

Mr. FARNSLEY. How much a year? Your helper is working on it. He is clearheaded.

Mr. WILLIAM CURTIN. It is obviously an average of over \$12 million a year.

Mr. FARNSLEY. \$12 million a year. What is the profit before taxes of the companies you represent per year, or last year? I realize that you have lost a lot of money, but I think also the Government has helped you at times, although I may be wrong. What did you make last year?

Mr. WILLIAM CURTIN. Not since 1958, I don't think.

Mr. FARNSLEY. Before taxes. We established the fact that the taxes are 48 percent, so it is deductible. This sometimes comforts people, money that is deductible.

Mr. WILLIAM CURTIN. I don't wish to give you an incorrect answer, Congressman Farnsley.

Mr. FARNSLEY. I don't want you to, but I don't want to use up my 5 minutes.

Mr. WILLIAM CURTIN. That is why I am saying to you rather than us floundering, in looking for those figures, if we could submit them to you, we would be rather happy to.

Mr. FARNSLEY. I would rather take my 5 minutes. I think it is important. A lot of people won't read this. I don't think it is unreasonable for us to try to find out how much profit before taxes those companies made last year.

Mr. WILLIAM CURTIN. It appears that in 1965 that United Air Lines' profit before taxes was \$77,540,000. They are the biggest airline.

Mr. FARNSLEY. You read them out and let the nice man with the yellow page write them down and add them up. I am not trying to—

Mr. WILLIAM CURTIN. This is Mr. Hotvedt, Mr. Congressman.

Mr. HOTVEDT. How do you do, sir.

Mr. WILLIAM CURTIN. Trans World Airlines' profit before taxes in 1965, \$81,564,000; Northwest Airlines, \$86,070,000; National Airlines' profit before taxes in 1965, \$34,568,000; Eastern Air Lines' profit before taxes, \$29,671,000 in 1965; as I think is already in the record, Mr. Congressman, while Mr. Hotvedt is adding these figures, these carriers have placed over 85 percent of those profits back into investment for new equipment.

Mr. FARNSLEY. I am for that.

Mr. WILLIAM CURTIN. I think not only you are, but the employees are, too, sir.

Mr. FARNSLEY. All right. Do you want to tell me what you make after you bought the new equipment? If you would rather do it that way. Let me get this figure first.

Mr. WILLIAM CURTIN. \$309 million.

Mr. FARNSLEY. And then, 85 percent goes back into new equipment. Every year? Are you going to do that from now on?

Mr. WILLIAM CURTIN. Maybe more, sir. We are about to buy the supersonic—

Mr. FARNSLEY. What you need is another Government subsidy, obviously. Are you carrying mail now?

Mr. WILLIAM CURTIN. Yes, we carry mail.

Mr. FARNSLEY. Is it profitable?

Mr. WILLIAM CURTIN. Yes.

Mr. FARNSLEY. I asked a colleague how a nice, reasonable man like the union man couldn't fail to disagree.

Mr. WILLIAM CURTIN. We agreed. We reached a contract settlement on July 9.

Mr. FARNSLEY. I'm sorry. You interrupted my question but you are right; you did.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. FARNSLEY. I agree yours is a pitiful case and I am going to try to help you get money from the Government because obviously if you are buying new equipment, you can't pay your workers.

Mr. WILLIAM CURTIN. We have never said that, Congressman.

Mr. FARNSLEY. You said 85 percent or more is going back into equipment and it leaves you only 10 percent of your profit, and there is not much left to pay the employees.

All right. I am unreasonable. I withdraw. Go ahead and run your airlines.

Mr. WILLIAM CURTIN. I think the only point that I am trying to make is that we have never indicated to this union, and I think they have made it clear, that we are unable to pay our employees wages, nor increased wages.

Mr. FARNSLEY. If I misquoted you, I'm sorry.

Now, it has been said that this bill holds a gun at the head of labor and not at the head of management. Would you care to comment on that?

Of course, credence is given to that by the fact that labor is screaming bloody murder and you all are supporting it.

Mr. WILLIAM CURTIN. I would comment on it to this extent, that I do not agree with it that there is no gun at the head of labor or when their members are working. That is the change, really.

Mr. FARNSLEY. Thank you. You are very courteous. I have used up 6 minutes. I'm sorry.

The CHAIRMAN. Mr. Adams.

Mr. PICKLE. Mr. Chairman, a parliamentary inquiry. Mr. Adams is the last member to question the witness, is that correct?

The CHAIRMAN. Mr. Jarman has not had an opportunity to question, and I have been informed that there are other members who have one question or one other matter.

Mr. FARNSLEY. Mr. Chairman, for the record, it leaves a little misguided impression. When you buy new equipment, then you start writing it off, so that helps a little bit in carrying that, isn't that true?

Mr. WILLIAM CURTIN. Certainly it is depreciated, yes, sir.

The CHAIRMAN. Mr. Adams.

Mr. ADAMS. Mr. Curtin, I will be brief because I think the other men here have covered most of the questions that I asked of Mr. Siemiller, indicating the three bases on which I believe we are sitting, so I just want to confirm that it is your position that the passage of this piece of legislation would not be Government intervention on the side of the carriers.

Mr. WILLIAM CURTIN. That is right.

Mr. ADAMS. All right. Then I ask—

Mr. WILLIAM CURTIN. I am sorry. I was responding to your question. On the side of the carriers?

Mr. ADAMS. On the side of the carriers.

Mr. WILLIAM CURTIN. I think it is on the side of the public interest.

Mr. ADAMS. There is no question about it. If we go into it we are going to intervene.

Now, second, if we are not going to pass on generalized legislation that will apply to all future collective bargaining. Do you not agree that the effect of this piece of specialized legislation will have a general effect on future collective bargaining?

Mr. WILLIAM CURTIN. I think it will have some effect, obviously, the simple existence of it.

Mr. ADAMS. Obviously, if you go in, for example, and bargain for the airlines that are going to come up on December 31, the fact there was specialized legislation in this case leaves obviously the feeling of the fact that there may have to be required specialized legislation next time.

Mr. WILLIAM CURTIN. Conceptually, I can't quarrel with that, sir.

Mr. ADAMS. So the temporary legislation here is something that is definitely Government intervention, one, and we may have a difference of opinion as to which side it is on, but I think Mr. Farnsley characterized it pretty well as to what the feeling of the parties is.

Mr. WILLIAM CURTIN. May I respond to that, Congressman Adams?

Mr. ADAMS. Yes.

Mr. WILLIAM CURTIN. That to the extent you are talking about it, that the Railway Labor Act and the Taft-Hartley Act are interventions in collective bargaining and each side takes the position of course, on many of the provisions of those statutes, that that intervention was one-sided.

Mr. ADAMS. No question, but it also applies across the board to every dispute within its particular purview, is that correct?

Mr. WILLIAM CURTIN. Exactly right.

Mr. ADAMS. All right. Now, I would like to indicate or find from you, the investment in equipment, and you do face the purchase of substantial new equipment in the next 4 or 5 years, including various sized jets, the supersizes and so on, is that right?

Mr. WILLIAM CURTIN. Yes, sir.

Mr. ADAMS. Now, do you have a position or a statement as to what your position is vis-a-vis these negotiations on the purchase of new equipment as opposed to whether or not you are able to afford the package of the machinists?

Mr. WILLIAM CURTIN. No, sir. As Mr. Siemiller testified and I have tried to testify, the ability-to-pay question has not been the issue between us.

Mr. ADAMS. All right. And even with the losses running as they are at the present time, do you have a position you wish to state today as to what your dangers or your difficulties are versus package, the purchase of new equipment, and where you stand now?

Mr. WILLIAM CURTIN. Well, I think obviously with the losses that have been incurred for 33 days, that those positions are jeopardized. It was announced on Monday TWA canceled or postponed the purchase of equipment I think exceeding \$400 million.

Mr. ADAMS. Now did you have a statement or position to take as to the fact that the present economic struggle, which a strike always is between the two, has placed a disadvantage to the airlines vis-a-vis the union because of the substantially full employment that is available to the machinists throughout the entire country?

Mr. WILLIAM CURTIN. I think that would be a correct statement; yes.

Mr. ADAMS. All right. Therefore, if we are going to intervene in this, and again I won't harangue you on the fact that I may have a different position because of that very fact, I think that the union, as Mr. Farnsley has said, as are you, are at a disadvantage and it has that effect, so I would like to know whether, if we are going to hold the membership on, what is your position versus holding the airlines in terms of either, as it has been called, seizure or some type of freezing their situation?

Mr. WILLIAM CURTIN. As I have indicated earlier, we—

Mr. ADAMS. Or against that?

Mr. WILLIAM CURTIN. Both the union and the carriers are against that and I would like to return if I could to one other part of your question. I didn't realize where you were going with it. I think you are operating on the assumption that this is a bargaining unit which is composed of skilled mechanics. That is not the case.

Mr. ADAMS. It has at least three groups according to your position, and two according to the union, as I understand it.

Mr. WILLIAM CURTIN. We run from janitors to highly skilled technicians.

Mr. ADAMS. Right. But you have got a group.

Mr. WILLIAM CURTIN. And those people are not working elsewhere and they are not doing very well. They are hurt, and it is a tragedy that they are hurt, but they are hurt.

Mr. ADAMS. Finally I would like to know your position if we were to go to permanent legislation. What we are basically doing at this point, and check me on this, you have had negotiation freely, then you have had mediation freely, then after that there has been the Emergency Board with the recommendation.

Now, what we really are doing in the Congress at this point is acting as a fourth step, which is to make your offers public on both sides, and to attempt to get you to do more, and I would assume ultimately threatening you, if you don't, that we are going to do something terrible.

Now, do you think that this type of procedure, we are talking about permanent procedure, should be written into the law, only not with the Congress doing it, but extension of what is presently done under section 179 of the Taft-Hartley Act, where the Government comes in, makes both sides make their offers permanent, if they don't accept their offers, they are eventually submitted by secret ballot, and if that isn't accepted, then there is another submission by secret ballot. What is your position on that? I asked that of Mr. Siemiller.

Mr. WILLIAM CURTIN. Right. You are talking not about this but about the Taft-Hartley Act.

Mr. ADAMS. That is correct.

Mr. WILLIAM CURTIN. My position with respect to that is that so far as I know, that procedure has been known for its failure, continuous submission of final offers to management. That is one position we have taken in this case in our negotiations, that submitting final offers without agreement by the union representatives is a futile effort.

Mr. ADAMS. Now, I am talking about submitting offers and their membership ballots on it.

Mr. WILLIAM CURTIN. That is right, that is what I am talking about.

Mr. ADAMS. Suppose we put an ultimatum at the end of it of both injunction and the seizure.

Mr. WILLIAM CURTIN. You mean making them return to work if they don't accept the employers' final offer?

Mr. ADAMS. And at the same time taking over the industry.

Mr. WILLIAM CURTIN. I think that would be terrible. I really do. If you put—and I am not addressing myself only to taking over the industry. I am saying if you are putting people back to work because they don't accept final offers, here is the situation—

Mr. ADAMS. I might well agree. Now I want to know what is your alternative. Do you have one that you want to submit?

Mr. WILLIAM CURTIN. I say to you that here is a situation where the union and the carriers have agreed. That is the difference. This wasn't a carrier where the employees rejected a final offer of management which carried no endorsements of their elected representatives.

Mr. ADAMS. Well, actually they did. This happened before under Taft-Hartley where the union membership may reject the statement made by the executive board of the particular local. You and I both know this.

Mr. WILLIAM CURTIN. Certainly.

Mr. ADAMS. Sure, it happens all the time. I just want to know, and I asked of Mr. Siemiller, so I want to ask you the same thing.

Mr. WILLIAM CURTIN. Yes. Do I have a suggestion for permanent legislation?

Mr. ADAMS. Do you have a suggestion?

Mr. WILLIAM CURTIN. No; I do not.

Mr. ADAMS. Thank you.

Mr. WILLIAM CURTIN. I would be happy at such time as you are considering permanent legislation, to afford—

Mr. ADAMS. You can take this as a point, that we are considering it from now on, from the beginning of when this happened until something passes, that we will improve the situation, but I don't like, as I have said it before, and I say it now, the idea of a specialized approach where we go in and put a series of men back to work because we have the public inconvenience, and I probably as well or more so than any man on this committee am not only inconvenienced but the people in my area face a definite economic hardship because of this strike, but I feel for us to move in with specialized legislation and do this particular thing is going to just take collective bargaining here, as the chairman said earlier, and set it back 100 years.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Jarman.

Mr. JARMAN. Mr. Chairman.

Mr. Curtin, in a hearing before this committee, it has been said that the strike does not constitute a national emergency, and the statement has been to the committee whether or not you endorse this legislation will depend upon your belief that an emergency in fact, a national emergency in fact does exist. Would you care to comment on that?

Mr. WILLIAM CURTIN. Yes. I think the provisions of the statute are clear, Congressman Jarman, that that is not the fact or finding of fact upon which this legislation is based. It is based upon a finding of fact with regard to interruption of essential transportation services,

and that that test, as the Secretary of Labor testified, has been met in this case, by a prior executive determination.

Mr. JARMAN. It does seem to me that whatever emergency exists, it is available, but in reading of Senate Joint Resolution 186 which is before us, I find no reference at all to the necessity for the finding of a national emergency.

I would like to read in part from the first part of the resolution. It refers first to the fact that:

The Congress does hereby find and declare that a labor dispute between—

And the parties are named—

threatens substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation services must be maintained. All precedures for resolving such dispute provided for in the Railway Labor Act have been exhausted and have not resulted in settlement of the dispute.

Then a little later in that paragraph:

And it is desirable to achieve a settlement of this dispute in a manner which serves the public interest and economic stabilization and which serves the free collective bargaining method.

In section B of that paragraph:

Congress therefore finds and declares that emergency measures are essential to the settlement of this dispute, and the security and continuity of transportation services by such carriers.

The only point I want to clarify and to get comment on was the contention that this commttee or this Congress should find that a national emergency does exist to justify passage of Senate Resolution 186.

Mr. WILLIAM CURTIN. Yes, I don't think that that is required in terms of the provisions of the bill, Congressman, and I think that also the distinction can properly be drawn that Secretary Wirtz was testifying with regard to the public health, safety, and defense, as I understood it, and he did indicate that we had a very serious problem, national problem on our hands with respect to our transportation, stabilzation and collective bargaining system.

Mr. JARMAN. Thank you.

Mr. WILLIAMS. Will the gentleman yield to me, and I will get rid of my question.

The CHAIRMAN. You may have about 2 minutes.

Mr. WILLIAMS. Mr. Curtin, when Mr. Wirtz was before the committee, I made reference to a statement of policy that appeared in the Senate hearings on page 94, in which Mr. Harold Hammond, as president of the Transportation Association, submitted a letter on behalf of the board of directors, advocating a system of compulsory arbitration in cases similar to this. I believe that the presidents of three of the struck airlines which you represent are members of that board of directors. Do you know whether or not the statement of policy was unanimous, was unanimously agreed to, or was there division within the board?

Mr. WILLIAM CURTIN. I do not know whether there was division within the board. My understanding is that there was a special meeting called. I don't know who attended it. I just don't know this.

Mr. WILLIAMS. Well, this morning I received a letter from Mr. Hammond advocating further or substantiating the fact that that was

the position taken by the Transport Association. He stated that the board of directors recently held a special meeting and voted to support legislation to provide, after collective bargaining procedures had been exhausted, final and binding adjudication by Presidential boards of dispute. It was concluded that the necessity of some method of achieving finality in collective bargaining was paramount. The TAW policy statement adopted by the board of directors is as follows:

The Railway Labor Act should be amended to provide for final and binding adjudication by a Presidential board of disputes involving working conditions.

Now, I would presume that these three presidents participated in that meeting. Do you know what position they took with reference to that policy statement?

Mr. WILLIAM CURTIN. No, I don't, and I am not sure your assumption they participated in the meeting was correct actually. I do know their position with regard to this dispute is that there needs to be legislation relating to this dispute.

Mr. WILLIAMS. You don't know whether they voted on that?

Mr. WILLIAM CURTIN. I do not know.

Mr. WILLIAMS. And if so, how they may have voted?

Mr. WILLIAM CURTIN. No, I do not, no, sir.

Mr. WILLIAMS. Do you think it would be possible to ascertain that information?

That is all right, Mr. Curtin.

Mr. WILLIAM CURTIN. We know that United Air Lines opposes permanent compulsory arbitration.

Mr. WILLIAMS. What was that?

Mr. WILLIAM CURTIN. United Air Lines—

Mr. WILLIAMS. United?

Mr. WILLIAM CURTIN. United Air Lines, that is the first answer I could get for you, opposes this as a matter of policy.

Mr. WILLIAMS. Thank you, Mr. Chairman.

Mr. FARNSLEY. Mr. Chairman, I feel it is important that this committee before it goes into executive session, should have some idea of the profits. Now, we have found out what the profits were after taxes, and this is a nice gentleman, he is not a tax lawyer by his own statement, and he said, "We are spending 85 percent on airplanes."

Now, the question is what about writeoff, how fast do they write off an airplane and were those profits after writeoff? It makes a tremendous difference.

The CHAIRMAN. Mr. Curtin, can you answer that question or get the answer?

Mr. WILLIAM CURTIN. We can get the answer for you.

Mr. FARNSLEY. How soon?

Mr. WILLIAM CURTIN. I will try to get it for you immediately.

Mr. FARNSLEY. Your bosses are here and his bosses are. Do they know whether this is after writeoff and how fast they write off the airplanes?

Mr. WILLIAM CURTIN. We have some testimony which was introduced before the Emergency Board on this very area of financial questions which we would be glad to put before this committee, and then try to get the specific answer.

Mr. FARNSLEY. You can't tell me anything. We are going into executive session. This isn't so mysterious.

Mr. WILLIAM CURTIN. It is not that it is mysterious, Congressman Farnsley.

Mr. FARNSLEY. You do write off your airplanes.

Mr. WILLIAM CURTIN. Of course, they do, just like every other owner of property.

Mr. FARNSLEY. And it does make a difference about that property.

Mr. WILLIAM CURTIN. Here is a figure that is in the testimony that I will submit to the committee, if you would like to have it, which indicates that of every expense dollar of Trans World Airlines, which they regard as typical in this area, 40.9 percent of it goes to salaries, wages and benefits, 10 percent of it goes to depreciation and amortization. That shows exactly how the dollar is spent by each of the airlines. Maybe the answers to the questions are in here and if we could find the specific ones you would like to know—

Mr. FARNSLEY. Do you know of your own knowledge the profits that this nice man wrote off, are they after writeoff?

Mr. WILLIAM CURTIN. I don't of my own knowledge.

Mr. FARNSLEY. Are the profits after you write off your airplane, so when you say you have spent 85 percent for new airplanes, it might leave us in kind of a fog. Do you see what is worrying me? I have walked right behind you and I thought, Oh, these poor guys, they are only making 15 percent of what is looks like they are making, but you are doing better than that because you are writing off the airplanes.

Mr. WILLIAM CURTIN. Of course, they write off, I have no doubt about that, that they take advantage of whatever tax benefits are available to them. If you are suggesting that the writeoff is what is making for the ability to purchase new equipment, Congressman—

Mr. FARNSLEY. No; I wasn't. I am just trying to find out, are those figures profits after writeoff?

Mr. WILLIAM CURTIN. We will get this information to you just as quickly as we can, really. It is on file with the Civil Aeronautics Board and we will get it for you.

The CHAIRMAN. Can you have that in time for our executive session this afternoon?

Mr. WILLIAM CURTIN. We will try to.

Mr. FARNSLEY. And how fast do you write off an airplane? Find that out, too.

The CHAIRMAN. I might suggest to the gentlemen in conference there that one of our colleagues said if you will just give us the statement that you give to the stockholders, it will probably have all of that.

Mr. WILLIAM CURTIN. We can do that, too.

The CHAIRMAN. Mr. Keith, do you have a question?

Mr. KEITH. I have one question. It has to do with the returnability to work. They just settled a strike in the city of New Bedford after 93 days, and a large number of those striking employees have found other employment. You have 11,500 who failed to vote in this last election. Many of them may be presumed to have other jobs, and some of those who voted probably have other jobs. I would like to know how you are going to expect these people who have other employment to return to work under the terms of this bill, and to what degree?

Mr. WILLIAM CURTIN. We expect the vast majority of them to return to work. These are their permanent jobs with the airline industry. It is true when employees strike they often look for—

Mr. KEITH. They may have found employment elsewhere that is perhaps more stable.

Mr. WILLIAM CURTIN. That is possible, Congressman. There is no question about it. But the fact is that the indications are that these are considered very attractive jobs, and you have less than 2 percent turnover. People aren't looking to other jobs to get away from this industry. I think that they will return. And the fact of the matter is—

Mr. KEITH. Thank you, Mr. Chairman.

The CHAIRMAN. Any further questions?

Mr. DINGELL. Mr. Chairman, just a couple. Mr. Curtin, you have indicated in your statement at page 13-A, you said as follows:

Since this strike began, the five carriers have suffered revenue losses of more than \$256 million.

That is the first two lines. You have indicated elsewhere, I believe, that the cost of this strike is something on the order of \$7 million a day.

Mr. WILLIAM CURTIN. \$8 million.

Mr. DINGELL. \$8 million a day.

Mr. WILLIAM CURTIN. Secretary Wirtz testified \$8.2 million.

Mr. DINGELL. All right. Now the difference between your company, or rather the companies you represent and the strikers in terms of total benefits over a 3-year period is the difference between the \$74 million and \$110 million or a difference of \$26 million. This is about 10 percent of the loss to date; am I correct?

Mr. WILLIAM CURTIN. Ten percent of the losses to date?

Mr. DINGELL. Ten percent of the losses to date. In other words, it is equal to something like 4 days of the losses that your companies are undergoing as a result of this strike; am I correct?

Mr. WILLIAM CURTIN. Yes.

Mr. DINGELL. All right. Now to put it further, let's talk a little bit about the wage rates. We have requested from the Department of Labor statistics as to the differences in wages among different professions. Present wages are in the airline maintenance industry about \$3.58 an hour, if I recall the testimony; am I correct? That will be raised by about 58 cents over a 3-year period or thereabouts; am I correct?

Mr. WILLIAM CURTIN. You seem to be referring to the base rate for the mechanic, which is \$3.52.

Mr. DINGELL. Yes.

Mr. WILLIAM CURTIN. Yes.

Mr. DINGELL. I am referring here in Albuquerque, N. Mex., a bricklayer makes \$4.88 an hour in the basic rate; in Boston, Mass., he makes \$5.30 plus 25 cents plus 15 cents, or a total, as I see it, of \$5.70 an hour. This is just a bricklayer, not a man who is charged with keeping aloft a \$15 or \$20 million aircraft carrying about 130 or 150 people.

In Chicago the wage for a bricklayer is \$5.25 an hour, with insurance of 20 cents and a pension of 20 cents more, or a total of \$5.65. In my home city of Detroit, Mich., it is \$5 plus 15 plus 6 percent, or something on the order of about \$5.50 or \$5.60. That is a bricklayer.

Now when you get over into the field of—

Mr. WILLIAM CURTIN. Do your statistics indicate, Congressman Dingell, the regularity with which those people work? Is there indication that it is stable?

Mr. DINGELL. I don't think that really enters into the question, because that is pay for an hour's work, and I would assume that an hour's work is a unit or standard of measurement in both cases.

Mr. WILLIAM CURTIN. I would think how many hours you work is pretty relevant.

Mr. DINGELL. Well, that may be and that may not be, and that is subject, of course, to argument and discussion, but the simple fact of the matter that I am coming to is that it appears to me, and I think that you ought to give very careful thought, that this is a strike which can be settled and should be settled and is in the economic interests of the airlines to settle on the basis of the simple statistical information which has been submitted to you.

It is costing you unduly to prevent coming to a settlement and you are now faced with a situation where you have equipment ordered that you are canceling and other things which are going to be very much hurtful to the industry.

Mr. WILLIAM CURTIN. It is costing us, it is costing the public, and it is costing the employees.

Mr. DINGELL. I am aware it is costing the public and it is inconveniencing Members of Congress like myself.

The CHAIRMAN. The gentleman from Florida.

Mr. ROGERS of Florida. Thank you, Mr. Chairman. I do think in all fairness we ought to point out that the \$8 million figure is not the profit figure, as I understand it. It is also partly expenses and so forth.

Mr. WILLIAM CURTIN. Yes; it is a loss of revenue.

Mr. ROGERS of Florida. Also I think it would take some study as far as what wages are paid to determine, for instance, whether a bricklayer is working all year long. That is one reason why in some areas there is this pay, because it is a job where maybe you work only a few days a week. There would be many ramifications.

Mr. WILLIAM CURTIN. We have compared such a comparison.

Mr. ROGERS of Florida. I think it would be fair for us to consider that. But I do think that everyone is agreed that these people who are working are entitled to some increase and the airlines have already agreed to it.

Mr. WILLIAM CURTIN. No question about it.

Mr. ROGERS of Florida. Now what I am concerned with still is the public interest, and that is the primary consideration that this committee has got to place above all others.

Thank you, Mr. Chairman.

Mr. PICKLE. Mr. Chairman.

The CHAIRMAN. Mr. Pickle.

Mr. PICKLE. I certainly don't want to delay this, but I would like to just comment on a question and the reply which the gentleman from Michigan has asked Mr. Curtin. I assume it would be correct that the amount they have asked in increased settlement would represent only say 10 percent of your losses that you have suffered.

Mr. WILLIAM CURTIN. Yes.

Mr. PICKLE. But I think that statement in itself doesn't give the true picture by any means. It would seem to me that we are talking now about the national interest. We are talking about what is a fair settlement on the basis of the fact that it has substantially interrupted interstate commerce, and if we take it on a simple basis that \$38 million

could be a small fraction of what you lose and, therefore, you ought to settle it, this shows a complete disregard for guidelines and for the national economy. Does the gentleman from Michigan say that we ought to abandon guidelines completely?

Mr. DINGELL. Is the gentleman addressing that question to me? I would say we have to find out just what is within and what is without the guidelines and I would point out to my good friend from Texas that I spent a good deal of time inquiring of the Secretary of Labor on this point, and have since requested and I will again request for the record, with the help of my friend from Texas and also for my own information as to what the guidelines show with regard to the amount of the original request and offers by the parties, the settlement requested and also the settlement reached at the White House.

Mr. PICKLE. I would say that we must find a fair settlement, but I would also say that in my opinion from what I have heard, that the airlines by their understanding can also contribute to the national interest by trying to maintain some correspondence or coordination with national guidelines.

Mr. WILLIAM CURTIN. We have taken a 33-day strike in order to resist an inflationary settlement: yes, sir.

Mr. FARNSLEY. What about the guidelines on profits? Have you resisted those? Are you helping combat that?

Mr. WILLIAM CURTIN. The Civil Aeronautics Board regulates.

Mr. FARNSLEY. Or are there any guidelines on profits?

Mr. WILLIAM CURTIN. Yes. The Civil Aeronautics—

Mr. FARNSLEY. Have you held the line?

Mr. WILLIAM CURTIN. The Civil Aeronautics Board, as I have indicated earlier, published a study, in which it made a recommended rate of return on investment over a period of years. The carriers since then, which total six, indicate that these five carriers average 6.4 as opposed to the recommended 10.5. So I would say yes, we are substantially below those guidelines. Last year, that single year, we exceeded those guidelines.

Mr. FARNSLEY. Over a 6-year period. The national guidelines for profits are based on 6 years, not on the present situation?

Mr. WILLIAM CURTIN. The Civil Aeronautics Board study—

Mr. FARNSLEY. I am not talking about that. I am talking about the guidelines of the President. Does he have guidelines on profit?

Mr. WILLIAM CURTIN. Yes, the guidelines as I understand it that are enunciated by the Council of Economic Advisors relate both to wages and prices.

Mr. FARNSLEY. But they don't—

Mr. WILLIAM CURTIN. Go to profits.

Mr. FARNSLEY. Profits over 6 years, that is a special case because you used to have so much trouble. It was so sad when we had to help you. I am sorry.

The CHAIRMAN. Mr. Macdonald has a question.

Mr. MACDONALD. I have just one question that doesn't go to the meat of this legislation, but it puzzles me. You talk in terms of loss of revenue of \$8 million a day per carrier, right?

Mr. WILLIAM CURTIN. Yes. No, not per carrier, for the five carriers.

Mr. MACDONALD. For the five carriers.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. MACDONALD. But on the other hand you answered to Congressman Huot, if I understood you correctly, that there is a mutual aid pact with the other airlines.

Mr. WILLIAM CURTIN. That is right.

Mr. MACDONALD. So it would seem to me that the other airlines are kicking in to the five, by "kicking in" I mean are giving money, are they not?

Mr. WILLIAM CURTIN. A very small amount of money, Congressman.

Mr. MACDONALD. What is the amount?

Mr. WILLIAM CURTIN. As I answered—

Mr. MACDONALD. The percentage?

Mr. WILLIAM CURTIN. There are no figures apparently available, but the measure is as I understand it under that pact, the extent of the traffic which we have that is actually being handled by other members of this pact who are still operating. That might be 10 percent.

Mr. MACDONALD. Thank you.

The CHAIRMAN. If there are no further questions the committee—

Mr. MOSS. Mr. Chairman, I have one question.

The CHAIRMAN. The gentleman from California, Mr. Moss.

Mr. MOSS. Because of the response to the line of questioning by my colleague from Michigan, I want to quote from another set of figures by the Department of Labor, Bureau of Labor Statistics. From the period October 1965 to 1966, in the San Francisco area, the machinists, 1,094, the number of workers in the sampling, the mean was \$3.86 per hour. The Department has not supplied me with an indication as to whether that includes a fringe benefit package, and the middle range is \$3.72 to \$3.97 an hour.

Now in the instant case of the proposals between the industry and the machinists involved in this dispute, the figures cited as average hourly are those for the top skills or is that a mean or an average for the entirety of the machinists membership employed in the industry?

Mr. WILLIAM CURTIN. The \$3.30 figure that has been used as an average?

Mr. MOSS. \$3.52.

Mr. WILLIAM CURTIN. \$3.52 is a base rate for a mechanic in this industry. There is longevity on top of that, sometimes shift differential and the like, but \$3.52 is the base rate that existed in 1965. There is an 18 cent an hour—

Mr. MOSS. For all mechanics or for a mechanic in the overall plant or out of the line or just any and all mechanics?

Mr. WILLIAM CURTIN. Mechanics as such as opposed to the other segments.

Mr. MOSS. The members of the machinists union, are there members getting less than that?

Mr. WILLIAM CURTIN. Yes, sir, there are members getting less, members getting more.

Mr. MOSS. So far a comparison of maintenance machinists or maintenance electricians, the figure on maintenance electricians in the same market is \$3.88.

Mr. WILLIAM CURTIN. Electricians?

Mr. MOSS. Yes. You raised the question as to how many hours there were as to maintenance electricians, that they perhaps don't work as regularly as maintenance mechanics.

Mr. WILLIAM CURTIN. Right. When you look at the machinists maintenance, the average or the mean for the 10 metropolitan areas indicated there, that mean is \$3.55 as I see it and our mean would definitely be in excess of that for mechanics.

Mr. MOSS. Oh, I don't find that. It says the mean here is \$3.88 and the middle range is \$3.58 to \$4.22, electricians maintenance. I am reading from the figures supplied by the Department of Labor, and, Mr. Chairman, in order that there be no question as to the accuracy of my reading, I ask unanimous consent that this table be incorporated in the hearings at this point.

The CHAIRMAN. It shall be incorporated in the record without objection.

(The table referred to appears on p. 72.)

Mr. WILLIAM CURTIN. This is the figure which is the mean for maintenance machinists, \$3.55. Is that the chart that you are looking at, Mr. Moss?

Mr. MOSS. The mean on maintenance machinists, and I will go into the argument if you want, it is \$3.86 is the one supplied to me.

Mr. WILLIAM CURTIN. You are talking about San Francisco.

Mr. MOSS. I am indeed talking about San Francisco.

Mr. WILLIAM CURTIN. I see. I am talking about the 10 metropolitan areas.

Mr. MOSS. I specifically identified the area of my discussion.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. MOSS. As being San Francisco.

Mr. WILLIAM CURTIN. And I tried to identify the area of my comment as being the average or the mean for the 10 metropolitan areas listed here.

Mr. MOSS. I specifically identified San Francisco.

Mr. WILLIAM CURTIN. Yes, sir.

Mr. MOSS. It isn't necessary for anyone else on the committee. I didn't yield to them for that purpose.

Mr. CURTIN. Mr. Chairman.

The CHAIRMAN. Mr. Curtin.

Mr. CURTIN. Mr. Chairman, I have a suggestion. Mr. Curtin, if he has statistics as to the average over the United States, that perhaps that would be of interest to the committee, and that that also be offered for the record.

The CHAIRMAN. That may be submitted.

The committee at this time will go into executive session. I want to thank you, Mr. Curtin, you and your associates, for coming and giving us the benefit of your views. If it will be helpful in going into executive session which we hope to do and get started this evening, and I would like to again say to you and to the representatives of this union that if there is a possibility for an area of agreement and voluntary arbitration, that the Secretary of Labor and the Mediation Board stands ready to be helpful.

I hope that both statements were made in good faith this morning and that remains to be seen, and as I said, both the Department of Labor and the Mediation Board stands ready to be helpful.

So thank you very kindly, and the room will be cleared for executive session.

(The following material was submitted for the record:)

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
August 9, 1966.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
Rayburn Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: AS Members of Congress are not permitted to testify before your Committee on the airline mechanics strike, I am writing this letter to apprise the Committee of the plight of Hawaii.

Last Friday, Secretary of Labor W. Willard Wirtz is reported to have testified before your Committee that the current strike constitutes "no threat to the national health, safety and defense" and has caused "no basic disruption" to the Nation's economy.

I am very concerned that such statements may obscure the very real fact that the strike, now four and one-half weeks old, has resulted in substantial interruption to interstate commerce and caused considerable damage to economies in certain areas of the Nation.

As you know, under the Railway Labor Act, which governs labor-management disputes in the air transport industry, the test for invoking the cooling-off and mediation procedures is that a dispute may "threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service."

This strike is such a dispute. It not only threatens substantial interruption to air transportation. It has already caused this situation.

Hawaii is indeed a section of the country being deprived of essential transportation.

Insofar as transport of persons between Hawaii and the U.S. mainland is concerned, air service is literally Hawaii's lifeline. This strike has grounded two of the three U.S. airlines serving these routes on a scheduled basis. The Hawaii-mainland public is being deprived of more than 100 United Airlines flights a week and 12 Northwest Airlines flights. Only Pan American World Airways, which has tried heroically to fill the gap, is still in operation. Hawaii's air lifeline with the mainland has been nearly severed.

Hawaii is a tourist state. We had hoped 700,000 visitors would reach our Islands this year, providing \$302,000,000 in income from tourism, our second largest industry. Our Hawaii Visitors Bureau estimates Hawaii is losing more than 1,000 tourists a day—10,000 a week.

During this strike, Hawaii has lost \$2,500,000 to \$4,500,000 a week in direct tourist and related income, for a total loss of \$11,000,000 to \$16,000,000 so far—and the end is not in sight.

Normally at this time of year, the peak of our tourist season, hotels would be filled. But on Oahu occupancy is down to 90 per cent; on Maui, 68% to 74%; 67-71% on Kona on Hawaii; and 80% on Kauai. The hotel industry alone has lost more than \$1,200,000.

Our interisland airlines, which provide the only mode of travel from island to island, are suffering heavily too. Hawaiian Airlines reported last Sunday it has lost more than 850 to 1000 passengers a day, resulting in more than \$200,000 loss in revenue. Aloha Airlines estimated it has averaged 480 passenger cancellations a day, for a total loss of \$115,000. It is still losing \$1,500 a day as the strike continues.

Taxi drivers are caught in the pinch. The vice president of the State Independent Drivers Association said business has fallen 35 per cent, a loss of \$15,000 so far. Inter-Island Tradewind Tours estimates it has lost \$200,000 in gross revenues, with business down about 15 percent. Slim Holt U-Drive & Tours of Hilo reported losses of about \$7,000.

All kinds of enterprises connected with tourism are suffering. Restaurants are serving fewer meals. Grocers sell less to restaurants. One meat provisioner said he is losing \$10,000 a week because of the strike. Farmers sell less to markets. A cattle raiser told me he could not sell his beef because restaurant demand has declined.

Bell-hops, maids, waiters, waitresses, entertainers, musicians find their income and tips down.

Flower lei vendors sell fewer garlands. Laundry and dry cleaners have less work. Souvenir shops, apparel stores, all kinds of retail establishments are losing customers.

Hawaii's million-dollar fresh fruit and flower industries, which must rely on air transport, are losing sales, particularly papaya growers and exporters of orchids, anthuriums, and other flowers. One papaya exporter reports loss of \$100,000.

By now, the strike is affecting almost every segment of Hawaii's economic life. It concerns the very livelihood of thousands of people in our Islands.

I would greatly appreciate inclusion of this letter in your hearing record, so that when your Committee considers remedial legislation Members will give full consideration to Hawaii's emergency.

I know the people of Hawaii will be grateful for all assistance your Committee can render toward restoring the vital air operations.

Enclosed are communications I have received from the Board of Supervisors of the Counties of Kauai, Maui, and Hawaii urging early settlement of the airline strike.

With best regards and aloha,

Sincerely yours,

HIRAM L. FONG.

COUNTY OF HAWAII,
Hilo, Hawaii, July 11, 1966.

HON. HIRAM L. FONG,
U.S. Senator,
Senate Building, Washington, D.C.

DEAR HIRAM: I am well aware of your interest and concern in the matter of the airline mechanics strike now in progress. This strike has removed some 34 scheduled flights daily to Hawaii and will have a progressively deteriorating effect on our economy which is so closely geared to the visitor industry.

Our particular Island of Hawaii suffers in the matter of air agricultural export as well. Prolongation of the strike therefore hurts us badly in our two principal industries.

I know that you will do everything in your power to assist in bringing about an early strike settlement. Please use this message as you see fit to convey our expression of concern and dismay to all interested parties.

Yours very truly,

SHUNICHI KIMURA,
Chairman and Executive Officer, County of Hawaii.

WAILUKU, MAUI, HAWAII, July 22, 1966.

HON. HIRAM L. FONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FONG: As you are aware, the State of Hawaii, including the County of Maui, has been greatly affected by the strike of the International Association of Machinists against the domestic airlines.

At present the only airline carrier between the State of Hawaii and the mainland United States is Pan American World Airways. Details of how this strike has affected the economy of the State have been appearing almost daily in the newspapers.

We realize that this strike affects not only Hawaii, including the County of Maui, but the entire United States.

The tourist business has become increasingly important in the County of Maui. It promises to become even more important with the new developments taking place in the Lahaina area. Naturally, the current strike has greatly curtailed the influx of tourists in the County of Maui. The serious effects of this strike has already been felt by those in the tourist industry and will eventually affect the economy of the County of Maui.

We urge that you and other members of Hawaii's Congressional delegation take whatever steps you can in order that this current strike against the domestic airline carriers may be concluded as soon as possible. We realize that no one single person has within his power to terminate the strike. We do feel, however, that Presidential or Congressional action may be effective in terminating this strike.

Any action you can take in this matter will be greatly appreciated.

Yours very sincerely,

LANNY H. MORISAKI,
Acting Chairman and Executive Officer, County of Maui.

RESOLUTION No. 25

Whereas the tourist industry and the economy in general of all the islands of Hawaii have suffered a severe blow from the airline strike which is presently in its fourth week; and

Whereas the effects of this strike will be felt in the months to come: Now, therefore, be it

Resolved by the Board of Supervisors of the County of Kauai, State of Hawaii, That it take this means to respectfully request the President of the United States and the Honorable Senators and Representatives of the United States to bring this strike to an end; be it further

Resolved, That copies of this resolution be forwarded to the Honorable Lyndon B. Johnson, President of the United States, the Honorable Daniel K. Inouye, the Honorable Hiram Fong, the Honorable Patsy T. Mink and the Honorable Sparky Matsunaga.

Introduced by:

HARTWELL K. BLAKE,
Chairman and Executive Officer.
GILBERT N. FERNANDES,
Supervisor.
GEORGE R. PASCUA,
Supervisor.
MATSUKI ARASHIRO,
Supervisor.
CHIYOZO SHIRAMIZU,
Supervisor.
SHIGEOMI KUBOTA,
Supervisor.
MASAO SETO,
Supervisor.

Date of introduction: August 3, 1966, Lihue, Kauai, Hawaii.

CERTIFICATE OF THE COUNTY CLERK, COUNTY OF KAUAI

I hereby certify that the foregoing is a true and correct copy of Resolution No. 25 which was adopted by the Board of Supervisors of the County of Kauai at a meeting held on August 3, 1966, by the following vote of the said Board:

For adoption: Matsuki Arashiro, Gilbera N. Fernandes, Shigeomi Kubota, George R. Pascua, Masao Seto, Chiyoza Shiramizu, Hartwell K. Blake.

Against adoption: None.

Absent and not voting: None.

KENNETH K. YAMAMOTO,
County Clerk, County of Kauai.

Dated at Lihue, Kauai, Hawaii, this 4th day of August, A.D. 1966.

WASHINGTON, D.C., August 5, 1966.

HON. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: In connection with the airlines strike, it seems to me that this work stoppage requires appropriate and early congressional action.

I would prefer that the authority to order a resumption of service (pending further negotiations between the airlines management and labor) should be granted to the President. In any event political considerations should be subordinated to the national interest in providing effective and appropriate legislation at the earliest possible date.

Sincerely yours,

ROBERT McCLORY,
Member of Congress.

TRANSPORTATION ASSOCIATION OF AMERICA,
Washington, D.C., August 9, 1966.

HON. HARLEY O. STAGGERS,
Chairman, House Interstate and Foreign Commerce Committee,
House of Representatives, Washington, D.C.

DEAR MR. STAGGERS: Your Committee is currently considering proposed legislation regarding the current airline strike. We can readily sympathize with the exceedingly difficult situation with which you are confronted.

The Board of Directors of TAA recently held a special meeting and voted to support legislation that will provide, after collective bargaining procedures have been exhausted, for final and binding adjudication by a Presidential Board of disputes involving employees and carriers subject to the Railway Labor Act. While we all regret the stalemate which has precipitated the emergency, it was concluded that the necessity of some method of achieving finality in collective bargaining was paramount.

The TAA policy statement adopted by the Board of Directors is as follows:

"The Railway Labor Act should be amended to provide for final and binding adjudication by a Presidential Board, of disputes involving rates of pay, rules and working conditions, preferably on a permanent basis."

As to the current airline strike, it is obvious that something has to be done very soon to find an answer, because of its increasingly serious impact on the nation's economy and also because of the great inconveniences it is causing the traveling public. We are also concerned about other airlines which face the prospect of similar crisis. Inasmuch as all avenues leading to a reasonable solution apparently have been exhausted, the general public as well as the parties directly involved would be better served through the mechanism of a Presidentially-appointed board with powers to effect a solution.

While the TAA Board would prefer amending the Railway Labor Act to provide for final adjudication on a permanent basis, it supports legislation along the lines of S.J. Res. 186 approved by the Senate, that deals with the current strike. It should be pointed out, however, that while passage of legislation to establish an additional negotiation period may relieve the problem during that period, it by no means will assure a permanent solution in the public interest. Provision must be made, therefore, at the same time to provide for binding arbitration to prevent such strikes in the future.

We hope you will support House approval of legislation to resolve this labor-management controversy—the public interest comes first.

We ask that this letter be made a part of the record of your current hearings on S.J. Res. 186.

Sincerely,

HAROLD F. HAMMOND,
President.

AMERICANS FOR DEMOCRATIC ACTION,
Washington, D.C., August 5, 1966.

HON. HARLEY O. STAGGERS,
Chairman, Interstate and Foreign Commerce Committee,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Americans for Democratic Action is opposed to all legislation that will force or compel airline mechanics and maintenance workers to return to work.

Americans for Democratic Action is firmly committed to free collective bargaining.

The strike of the airline mechanics and maintenance workers on five airlines clearly has not created a national emergency. Although the strike causes inconvenience and some hardship, the right to strike is fundamental to free enterprise. To weaken it is to weaken labor because in the last analysis labor has no other weapon. Without this basic right, true collective bargaining is impossible.

Legislation to end strikes weakens a vital part of our democratic society and jeopardizes the welfare of all workers in the United States.

As social legislation it fails because it attacks symptoms and not the disease. Unsolved problems which cause workers finally to walk off their jobs are not solved by forcing workers back to those jobs.

We do not criticize the President for intervening personally to attempt to bring the parties to agreement. But failure to achieve immediate agreement

does not—in the absence of a genuine emergency—justify denial of a right so basic as the right to strike.

The Democratic Party Platform of 1964 pledged to reduce inequitable restrictions on the right to strike and the Republican Party Platform condemned Federal intervention in labor disputes.

I would appreciate that a copy of this letter be inserted in the hearing record. Thank you.

Sincerely,

LEON SHULL, *National Director.*

NATIONAL RIGHT TO WORK COMMITTEE,
Washington, D.C., August 9, 1966.

HON. HARLEY O. STAGGERS,
*Chairman, Committee on Interstate and Foreign Commerce,
U.S. House of Representatives, Washington, D.C.*

DEAR CONGRESSMAN STAGGERS: Your curtailment of hearings on the airline strike legislation will deny Congress testimony it needs to thoroughly consider the fundamental problem which led to the present crisis. Our request to testify was motivated by the concern, expressed by you and others, that hasty one-shot strike legislation may seriously undermine free collective bargaining.

The problem is basically one of union power. For the past 30 years Congress has piled legislation on legislation for the express purpose of enhancing the power of labor unions, without providing the restraining influence of voluntary union membership.

Today in the airline strike the nation is suffering the consequences of this accumulated special interest legislation. Congress is now being asked to deal with the problem through additional patchwork labor legislation, without in any way touching upon the source of the problem.

As a first step in solving the problem the National Right To Work Committee urges you to introduce and conduct full hearings on legislation that would eliminate Section 2, eleventh of the Railway Labor Act which sanctions compulsory union membership in the railroad and airlines industry. In 1951 Congress was led down a blind alley when it acceded to union demands and amended that part of the Railway Labor Act which guaranteed freedom of choice to all workers covered by the Act. This amendment legalized compulsory union membership and paved the way for many of the recurring disruptive labor disputes such as the present transportation crisis.

Because of the vast complex of special privilege legislation for unions, the effect of union disputes are multiplied many times over in their impact on the economy. In the present situation, something which is primarily an internal union dispute has been transformed into near-paralysis for the whole country.

Examples of union special privilege legislation embrace exclusive representation (forcing minority employees to accept union representation whether they want it or not), exemption of unions from anti-monopoly laws, and immunity from legal liability for wrongful and unlawful conduct. While we do not pass judgment on these special-privilege laws, we emphasize that their existence makes it imperative that internal union democracy be buttressed by protecting true freedom of association for the working man.

It is significant to note that the airline crisis has arisen in an industry whose employees do not enjoy even the limited protection afforded by Section 14(b) of the Taft-Hartley Act. In those industries covered by the Taft-Hartley Act, rather than the Railway Labor Act, the existence of 19 state Right To Work laws and the possibility of their enactment in 31 additional states provides one important restraint on union excesses and abuses of union power.

The restoration of voluntarism would provide the checks and balances necessary to keep union leadership responsive to the desires of the rank and file. In the case of the Machinists Union it could have prevented an internal union feud from reaching the point where it can shut down a major segment of the transportation industry.

Machinist Union President Roy Siemiller told a House Committee last week that:

"We think it would just be a tragic mistake for the Congress of the United States to take freedom away from any segment of the working population." The National Right to Work Committee couldn't agree more!

Mr. Siemiller has put his finger on one of the basic causes of the present problem—the 1951 Congressional action which took "freedom" away from a

"segment of the working population." Taking its cue from Mr. Siemiller, Congress can help to forestall a repetition of the present crisis by rectifying the "tragic mistake" made when it legalized compulsory unionism for the railway and airline employees. (It is interesting to note that at that time—1951—Lyndon B. Johnson, then a U.S. Senator from Texas, voted against the amendment, against compulsory union membership!)

As you have so ably stated, the present bill threatens to "set collective bargaining back 50 years." By including fundamental reforms, Congress can transform this bill into one which will, in fact, advance employee freedom and free collective bargaining. Now is the time to restore voluntarism and thereby responsibility to the manner in which the union hierarchy wields its enormous economic power. The airlines strike provides sufficient justification for fundamental reform in our labor legislation—now!

Respectfully submitted,

REED LARSON,
Executive Vice President.

[TELEGRAM]

DETROIT, MICH., August 9, 1966.

HON. HARLEY O. STAGGERS,
*Chairman, House Interstate and Foreign Commerce Committee,
House Office Building, Washington, D.C.:*

We urge you to vote against legislation which will only delay and may prevent a freely arrived at settlement between the airline mechanics and the five struck airlines. There is no national emergency nor any threat to the health and safety of the Nation. There is only inconvenience for approximately one percent of the traveling public. The proposed legislation would be unprecedented and would set the stage for the involvement of Congress into hundreds of other labor disputes and would weaken and destroy the principles of free collective bargaining. None of the pending proposals invokes any penalties against the struck airlines which are today enjoying alltime record earnings. Legislation aimed solely at getting the airlines operating again without regard for the needs and equity of the airline mechanics will be grossly unfair and morally indefensible in a free society. I urge you to vote against legislation that will undermine free collective bargaining which is the only basis for sound labor management relations in a society committed to the values of freedom.

WALTER P. REUTHER,
President, International Union, IAW.

[TELEGRAM]

NEW YORK, N.Y., August 8, 1966.

HARLEY O. STAGGERS,
*Chairman, House Interstate and Foreign Commerce Committee,
House Office Building, Washington, D.C.:*

On behalf of the 150,000 members of the Transport Workers Union of America, AFL-CIO, employed on the Nation's city passenger transportation, airline, railroad and gas utility industries, we urge your vigorous opposition to the Senate-passed forced-labor bill.

It is a hastily-conceived, inexcusable and one-sided exercise of legislative power to seize the legal rights of American workers while allowing the airline companies to resume their enormous profit-making without interference—and without any incentive to ever arrive at a collective bargaining settlement with their employees. This is morally wrong. Such legislation moreover spells the destruction of genuine free collective bargaining in the United States. It is only a matter of time before such strike-breaking legislation will be demanded by all American industry.

Inclusion in the Senate bill of TWU's members now in negotiations with American Airlines and Pan American World Airways proves our point. These workers are not on strike. There is no emergency consideration in their case, yet the Senate has prejudged the outcome of their negotiations and sabotaged

them in favor of the companies whom they have assured will not have their services interrupted whether or not they bargain in good faith.

The Senate bill is patently totalitarian. We urge that you reject it and defend collective bargaining in the United States.

MATTHEW GUINAN,
International President.

DOUGLAS L. MACMAHON,
International Secretary-Treasurer.

JAMES F. HORST,
International Executive Vice President.

[TELEGRAM]

WASHINGTON, D.C., August 9, 1966.

HARLEY O. STAGGERS,
Washington, D.C.:

The Seafarers International Union of North America is unalterably opposed to any form of legislation which would force airline workers to return to their jobs without a satisfactory settlement of their dispute with management.

Enactment of any legislation—whether it calls for a congressional mandate, a Presidential edict or a combination of the two—would be a serious blow to our democratic procedures, and could be interpreted in no other way but as punitive, anti-labor legislation.

In 1959, when Congress was debating the Landrum-Griffin Act, considerable lip service was paid to the need for "trade union democracy." When rank-and-file IAM members overwhelmingly rejected the Government-dictated terms for settling the airline strike, they gave a resounding demonstration of that very "trade union democracy." It would be ironic if Congress were to punish them now for exercising the "democratic rights" it claimed to be protecting in 1959.

We urge you to oppose vigorously any attempt to legislate away the right of free men to strike. The inconvenience which a small segment of the traveling public is experiencing is a small price to pay to safeguard a precious American freedom.

PAUL HALL,
President, Seafarers International Union of North America.

[TELEGRAM]

WASHINGTON, D.C., August 10, 1966.

HON. HARLEY STAGGERS,
Chairman, House Committee on Interstate and Foreign Commerce, House Office Building, Washington, D.C.:

Please make part of the record of your hearing on pending legislation to put a compulsory end to the strike of five airlines by the International Association of Machinists this telegram expressing the complete opposition of the Switchmen's Union of North America to any action by Congress to weaken and destroy collective bargaining in the manner proposed. Our union was one of the five operating railroad unions upon which Congress imposed the first peacetime compulsory arbitration in 1963. Experience under Public Law 88-108 proves conclusively that the compulsion and congressional meddling in labor disputes offer no lasting solution and destroy the opportunity for a democratic and realistic settlement. The compulsion imposed in 1963 did not settle the dispute involving the crew consist issue but only postponed it until the present. We urge you to take no action in the airlines dispute, which is far from being a national emergency at this time.

NEIL P. SPEIRS,
President, Switchmen's Union of North America.

STATEMENT OF G. E. LEIGHTY, CHAIRMAN, RAILWAY LABOR EXECUTIVES' ASSOCIATION

Mr. Chairman and members of the Committee, my name is G. E. Leighty and I am Chairman of the Railway Labor Executives' Association, with headquar-

ters at 400 First Street, N.W., Washington, D.C. The RLEA speaks for 23 standard railway labor organizations representing nearly all the nation's railroad workers, and it is on their behalf that I come before you today.

What faces this Committee is basically a question of justice. What is the just and fair course for Congress to take in the airline strike? In our view, the just and fair and wise course for you to follow is to let the airline machinists and their employers settle this dispute themselves. We say this on the basis of general principles, on the basis of the record in this dispute and, most especially, on the basis of our own experience with governmental intervention.

The right to determine one's wages and working conditions through free collective bargaining is very much cherished by American working people, as you gentlemen know. And nearly all labor contracts are negotiated without a work stoppage. Time lost due to strikes amounts to only a small fraction of one percent of total production time in our economy. But the *right* to strike is the only real weapon working people have to win themselves a satisfactory settlement. The right to strike is one of the basic rights of free men—and American working men know it. I believe each of you would accept this idea also.

The 35,000 airline machinists are exercising their right to strike. They are doing so peacefully, lawfully, democratically and at considerable sacrifice to themselves and their families.

The question facing this Committee is: Whether Congress shall tell these 35,000 working men, "We are now going to make it unlawful for you to continue your peaceful strike; if you continue your strike at present, we are going to authorize any federal judge to enjoin you, hold you in contempt and throw you in prison; in your case, we are going to repeal the Norris-LaGuardia Anti-Injunction Act, enacted in 1932 and signed into law by President Herbert Hoover, so that any federal judge may do this to you."

Gentlemen, this is a strong way of putting it. But this is just what it's proposed that you do to the right of these machinists to continue their strike until a settlement. Of course, the airline employes and we in the railroad industry are already limited in our right to strike. We are limited by the present Railway Labor Act, and especially by the Emergency Board provisions of Section 10. We have accepted these limitations. We have tried to make them work, even though these provisions have gnawed away more and more at free collective bargaining in our industry. The airline machinists accepted these limitations also. They obeyed the Act completely. Now it's proposed to weaken still further their right to strike—with the threat of prison if they disobey.

I respectfully suggest, gentlemen, that before you do this you make sure that the *public need* for such a measure is overwhelmingly evident and that you weigh not only the immediate but the long-run results of such a law.

Surely, if there were such an overwhelming public need, the President and his advisers would have told you so. Instead, the Secretary of Labor has testified that the shutdown of these five airlines has not created any national emergency. In fact, *all* the airlines together account for only 5.9 per cent of the inter-city passenger miles and less than one-tenth of 1 per cent of inter-city freight miles, according to Secretary Wirtz. This strike has been an inconvenience to some members of the public, but how much more than that has it been?

Of course, you have read many denunciatory newspaper editorials about the strike. Most of you have probably received a few hot-under-the-collar letters from constituents. But these, I suggest, are not a very good basis on which to legislate.

If I may recall a personal experience, the organization of which I am president, then known as the Order of Railroad Telegraphers, struck the Chicago & North Western Railroad for thirty days in September 1962, in a job security dispute. The North Western railroad serves nine midwestern states. Its shutdown caused a great public outcry from those states—if you judge public outcry by newspaper editorials and letters of complaint.

We were denounced in leading newspapers from coast to coast, with very little knowledge of the facts. Take the Washington Post. Its lead editorial of September 3, 1962 declared: "North Western Board Chairman Ben W. Heineman cannot be blamed for taking a resolute stand on an issue which

involves the survival of the road. . . . But strikes are an exceedingly costly way of settling disputes involving job security, and it would be disastrous if they were to spread to other industries which surely will be affected by the dizzy pace of technological change. What is required is a new and imaginative national labor policy which would bar collective bargaining on issues involving technological displacement while at the same time providing for the compensation and retraining of discharged workers."

Does that sound familiar? If you change the words about specific issues, you get the same parrot-like cry as from many newspapers now: "Pass a law, forbid the strike."

Chambers of commerce, businesses and others from those nine states sent thousands of anguished letters and wires to the President and Congress about the effects of our North Western strike.

After the strike, the Chicago Sun-Times sent out a reporter to survey the economic damage. Here are some quotes from his report:

"Chambers of commerce throughout the midwest who had flooded President Kennedy with telegrams urging him to end the strike now say conditions weren't so bad after all.

"Companies that said they were considering closing down for the duration of the strike now say that they managed to struggle along."

Cases of "severe economic hardship," the Sun-Times found, were "the exception rather than the rule during the strike. Most companies surveyed said they switched to trucks or competing railroads without much of a hardship or additional expense."

Some business interests, it seems, are eager to cry "wolf" against a strike, whether it hurts them or not. I wonder how many of the letters you have received against the airlines strike are of this same kind.

Fortunately, Congress did *not* pass a law against the North Western strike, despite the urgings of several senators. Fortunately also, Secretary Wirtz and President Kennedy actively mediated in the strike *without* trying to impose their own settlement and *without* publicly rapping the strikers—for which, of course, President Kennedy was himself roundly denounced by the newspapers.

As a result an acceptable settlement was reached, the strike ended—and who now remembers the Chicago & North Western strike? Not many members of the general public, I imagine. But the railroaders remember it—the strikers themselves, and 300,000 other railroaders, for whom the North Western strike paved the way, at long last, to a national job security agreement, signed on February 7, 1965, *without* a strike. And—incidentally—the North Western railroad is more profitable now than before the strike.

The lesson, I think, is plain: Let collective bargaining work. Let the government's role be that of a mediator. And if you are going to successfully mediate, you must avoid public statements taking sides in the dispute.

None of these rules was followed in the long work rules dispute of the railroad "operating" unions—and that, too, I think, holds a lesson for your deliberations today.

In the work rules dispute, which reached a critical point in 1963, the Administration publicly announced at an early point that it would not tolerate a national railroad strike. The railroads and the press whooped up sentiment against the workers and for some kind of compulsion. Nonetheless, in early August of 1963 the parties were very close to an agreement—until the railroads backed off.

Congress then, in two days, enacted a compulsory arbitration law covering two major items in this work rules dispute, and the President signed this Public Law 88-108 on August 28, 1963.

Here I should like to point out that apart from the two arbitrated issues (involving manning rules for firemen-helpers and for brakemen and switchmen), Public Law 88-108 also covered the other issues in the work rules dispute. For those other issues, it imposed a 180-day strike ban during which the parties were supposed to negotiate a settlement. Whatever the members of Congress may have thought would happen during that 180-day period, it didn't produce any real collective bargaining at all. Nothing significant happened until the 180-day deadline arived and the two sides were again free to exert their economic strength. At that point, President Johnson stepped in as a mediator. He called the two sides together. He did not tell them how to settle their dispute. He did not set himself up as a judge. But he did tell them, rather forcefully, that he wanted them to reach an agreement, through free collective bargaining.

Intense negotiations did then take place, assisted by two special mediators named by the President, and this produced a settlement of those other major items in the work rules dispute. Those items have been settled, ever since April 1964—because the two sides agreed to the settlement.

As for the two issues subjected to compulsory arbitration—the firemen and brakemen-switchmen manning issues—they are very far from being settled today. In fact, for anyone concerned about industrial justice—as I know you gentlemen are—the results of the compulsory arbitration portion of Public Law 88-108 are a real chamber of horrors. That law should have been entitled, the Lawyers' Full Employment Act.

As I mentioned before, the parties had been quite close to a compromise agreement on these two issues in early August of 1963. And the arbitration law told the arbitration board to put into effect the areas of agreement, and to give "due consideration" to the items on which the parties were in tentative agreement and also to the narrowing of the areas of disagreement during mediation. But the board's so-called public members, after a cursory bow in that direction, issued an award which represented what *they* thought was right. They ignored the instructions of Congress. Moreover, this arbitration board, No. 282, delegated to other new arbitration boards on each railroad (not provided for in Public Law 88-108) the authority to judge on particular manning rules for brakemen and switchmen. Furthermore, Board 282's award was so confused and confusing that the board has received several hundred separate requests for interpretations of different parts of the award. There have been many times more requests for interpretations of this one board's award than have been filed for *all* the awards of the 281 *voluntary* arbitration boards previously created under the Railway Labor Act.

Meanwhile, the railroads have succeeded in channeling all the legal disputes that touch in any way on the "operating" men's work rules—no matter where they arise—into the court of one U.S. district judge in Washington, Judge Alexander Holtzoff. Judge Holtzoff has issued many rulings, orders and injunctions—a goodly number of which the unions have found necessary to appeal because of their extraordinary character.

For example, I think it is clear that Congress in decreeing an arbitrated award for two years on the two manning issues intended that the parties themselves meanwhile should try to negotiate a permanent settlement of these matters. Judge Holtzoff, however, ruled that the railroads—despite the clear working of the Railway Labor Act—had no obligation to bargain on future manning rules during those two years. In doing so, he overruled the opinion of the National Mediation Board. As a result, most of the railroads refused to bargain.

The Senate Commerce Committee—which handled this legislation in 1963—held hearings last year and again early this year about the mal-administration of Public Law 88-108 so far as the firemen's manning issue is concerned. The Committee last October, by formal resolution, urged the parties to settle their differences through collective bargaining. But the railroads are still refusing to negotiate on this issue.

The upshot of the award of Arbitration Board 282, of many of the awards from the "little" arbitration boards, and of Judge Holtzoff's rulings has been to create many injustices for individual railroad men and a widespread feeling of bitterness among the railroad "operating" crafts. As I stated, this whole question of manning rules for these men has *not* been settled by compulsory arbitration. One agreement, covering 34 railroads, mostly in the East, has been negotiated by the Brotherhood of Railroad Trainmen, but only by skirting around the industry's regular negotiating procedure. And that to my knowledge, is the only agreement so far—three years after enactment of Public Law 88-108. Unless other such agreements are reached through free collective bargaining, another "crisis" on these issues will suddenly one day erupt into public consciousness—for compulsion breeds a sense of injustice and that sense of injustice cannot forever be held down.

I think it is significant that last Thursday, during the Senate debate on this bill before you now, Senator Cotton of New Hampshire, a member of the Senate Commerce Committee, warned his colleagues that the issues supposedly settled by the 1963 railroad arbitration law have still not been settled. Senator Cotton further stated: "I was told by a negotiator for the carriers that it is still possible, after all this time, for us to be confronted with a railway strike, growing out of the 1963 situation that occupied the attention of the Senate and of the House for such an extended period." (*Congressional Record*, August 4, 1966, page 17503).

The reason for this danger is plain: An anti-strike law simply encourages the employers to refuse to settle disputes through collective bargaining. For anyone concerned about industrial justice and industrial harmony, Public Law 88-108 cannot be considered a success.

I recall that during the congressional debate on Public Law 88-108, its sponsors emphasized that this was a "one shot" affair, that this law should not be taken as setting a precedent of any kind. Your former chairman, Congressman Owen Harris, made such a statement on the floor of the House, and so did the late Congressman John Bennett, your then ranking Republican member.

That's what was said in 1963—and now here you are again, considering special legislation against the right to strike in transportation. The other day in the Senate, Senator Clark, who was managing the Senate Labor Committee's bill, assured the nation: "We do not wish to make a precedent; and I state for the record, as a matter of legislative history, the committee does not think it is creating a precedent which would enable every other group to come rushing to Congress for legislation."

I have no doubt of Senator Clark's good intentions, but can one really believe him? You did make a precedent in 1963 with Public Law 88-108—a bad one. Passage of this bill will make another—also bad. Other groups, and also the same groups—I mean the railroads and the airlines—will rush back to you, to avoid free collective bargaining.

And each drink of this anti-freedom nostrum seems to go down a little easier. In 1963, it was a supposed dire national emergency. This time, it is simply an inconvenience to some airline travelers. Of course, it will be said the present Senate bill does not mean compulsory arbitration. But it does mean compulsion: it means the 35,000 airline machinists must go back to work at present on the terms you dictate, with the wages you dictate—while the cost of living, the price of bread and of milk and of the money to buy a home, goes up and up, and neither Congress nor the President does anything effective about *that*. And if the airlines dispute is not settled by the time this compulsion law expires—what will you do then?

Our own experience, including the examples I have cited, persuades us very strongly that the best way to handle labor disputes is by free collective bargaining. Active mediation by public officials can help greatly—if they act as mediators, not as judges. Of course, it will be said that at times there is a paramount national interest in preventing a particular work stoppage, for example, at missile sites or in the transport to Vietnam. But this airline strike is clearly not such a case.

It will also be urged that there is a major national interest in preventing inflation. But there, too, I have not heard any responsible public official suggest that the cost of an airline strike settlement would justify higher airline fares.

Back in 1963, Secretary Wirtz testified before the House Merchant Marine Committee on a bill to impose compulsory arbitration in the maritime and longshore industries. He then said, in part:

"I respectfully urge that the price of this precedent in terms of its effect on collective bargaining as a whole would be prohibitive . . .

"The important point is simply that if a third-party decision is assured *by law*, one party or the other to a dispute will rely on it—as a basis for evading responsibility for a hard decision. It becomes a substitute not only for strikes, but for collective bargaining itself. To the extent that any legislation tends to discourage the assumption by the parties of the responsibility which is essential for mature participation in the private decision-making process of free collective bargaining—to that extent it works at cross-purposes with our basic economic principles . . .

"If there were added up all the days of unquestionably serious shutdowns in the maritime and longshore industries in the past 17 years—since the Labor-Management Relations Act was passed—their price would be only a small fraction of the price of crippling collective bargaining.

"To paraphrase Mr. Justice Holmes' commentary on competition, collective bargaining is still worth what it costs."

We think those views of Secretary Wirtz were sound in 1963 and they are still sound in 1966—and not only as applied to the maritime industry but also as applied to the airline and railroad industries.

If Congress keeps intervening, ad hoc, in transportation labor disputes, you will end by destroying free collective bargaining in these industries. Collective bargaining is still worth what it costs. Freedom is still worth what it costs. We think this bill before you should not pass.

STATEMENT OF H. E. GILBERT, PRESIDENT, BROTHERHOOD OF LOCOMOTIVE FIREMEN & ENGINEMEN, AFL-CIO

I am advised that at hearings of the House Committee on Interstate and Foreign Commerce committee members were told the 1963 compulsory arbitration law (PL 88-108) affecting railroad operating employes has not materially affected collective bargaining in the railroad industry. Such is a serious misstatement of the situation in which railroad operating employes find themselves today.

The 1963 law was passed amid statements that it was a "one-shot" law, a "temporary measure" and a "brief interruption of the Railway Labor Act," because it limited the arbitration ruling to two years and affected only a small segment of American workers involved in a single, isolated dispute.

Whatever the effect was supposed to be, the real impact was devastating to collective bargaining, which has not recovered from congressional interference.

Even before the railroad arbitration law was enacted, management was unwilling to enter into any serious negotiations because it could depend on promises by the Congress and Administration that there would be no railroad strike. Management had no pressure to negotiate.

During the two-year period of the arbitration award, collective bargaining was stifled by management's position that the arbitration law and ruling did not require them to negotiate with their employes until after the two year limit. Congress had hoped that collective bargaining would provide a negotiated settlement by the end of the two-year period.

Before the arbitration period ended, railroad management was in court to prevent any collective bargaining on the issues involved. Management's arguments even persuaded a judge to rule that the arbitration award could not be changed through collective bargaining. According to the judge, the arbitration ruling could be made worse for the employes but not better, through negotiations.

The same judge has been willing to allow the effect of the arbitration ruling to continue, therefore, removing once again any pressure on the railroad industry to enter into collective bargaining.

What started as a temporary measure in 1963, to stop the threat of a railroad strike, has become a three-year lesson in how to kill collective bargaining. It has been our experience that once management senses the involvement of Congress or the Administration, it loses any interest in serious, meaningful bargaining.

Management has the goal of having compulsory arbitration written into the Railway Labor Act. The President of the Association of American Railroads has publicly called for Congress to make the findings of emergency boards under the Railway Labor Act final and binding.

I believe the long range goal of transportation managements is to involve Congress so deeply in settling labor disputes that changing the Railway Labor Act to make emergency board rulings binding on the parties will become the easy way out.

Compulsion is not necessary to settle transportation disputes. What is necessary is that neither side know what to expect from government. Then there is strong motivation for collective bargaining.

Such was the case when the railroads and operating unions settled the remaining issues of the rules dispute after 12 days of White House-sponsored supermediation in 1964. The parties reached agreement once the Administration made it clear that it was not sure just what the effect would be from government intervention.

As long as either side in a labor dispute can hope to be relieved of its collective bargaining responsibility by Congress or the Administration the lineup of applicants for such aid will grow longer.

The legislation now before your committee to end the Machinists' strike against certain airlines interferes with collective bargaining. The Brotherhood of Locomotive Firemen and Enginemen is unalterably opposed to any legislative act that interferes with or disrupts the free collective bargaining process and therefore is opposed to the bill now being considered by the House Committee on Interstate and Foreign Commerce.

STATEMENT OF CHARLES LUNA, PRESIDENT, BROTHERHOOD OF RAILROAD TRAINMEN, AFL-CIO

My name is Charles Luna. I am President of the Brotherhood of Railroad Trainmen, AFL-CIO, which organization represents approximately 185,000 members.

I am in opposition to the passage of any legislation which would intervene in the labor dispute between the airlines and their employees represented by the International Association of Machinists.

It is the view of the employees whom I have the honor to represent; it is the view of the Brotherhood of Railroad Trainmen for whom I speak; and it is my personal view—that it would be basically wrong for Congress to intervene in this dispute. This is not a case where such intervention can be justified. There is no national emergency as the result of the strike. The Secretary of Labor has told you this.

As a leader of railroad men who run this nation's trains, I am worried about the future of this nation when I see what is transpiring in the Congress of the United States today.

This airline strike is admittedly not a national emergency. Only five airlines are involved. Other air lines are still operating daily. The trains are running. The buses are operating. The ocean liners still sail their ships between the continents. Private automobiles are running back and forth between the cities. There is only some inconvenience.

Is this government, then, to be driven to do something shameful to its citizens who labor for their daily bread just for convenience's sake? Millions of American workers join me in saying No!!!

This legislation should not be passed. It is an injustice to the parties to this labor dispute. It would be a black mark against the image of America for this Congress to intervene.

The railroad men I represent are still suffering from the compulsory arbitration law, known as Public Law 88-108, which this Congress passed in August of 1963. That law was supposed to bring about collective bargaining between the railroads and their employees during a specified two year period, after which the parties were to be released from coverage of the law. That was what Congress intended. But what happened?

First, the compulsory arbitration panel proceeded to hand out an award which the railroads wanted so desperately but could not get in collective bargaining. They liked it so well that they contended in the courts that although the law expired along with the arbitration award at the specified time, nevertheless the terms continued in effect until what? Why, until the employees were able to change it back by collective bargaining! And the district court right here in Washington has gone right along with the railroads to make it stick!!!

I think this Congress should know this, and therefore I am taking a few minutes of your time to point out just how far these managements will go to misconstrue your good intentions to take an undue advantage of any law you may pass to end this strike. Congress passed Public Law 88-108 in the railroad rules dispute in 1963, and at that time, the Chief Executives of the five operating organizations on the railroads issued this statement to the members of Congress:

"Every Senator and every Representative should give soul-searching thought to the legislation, bearing in mind that the passage of such legislation would change the entire course of labor-management relations. Congress would become the final arbitrator of all major labor disputes in the future.

"The bill should appeal to railroad management which scents victory in its strategy to undermine collective bargaining while creating one crisis after another until the road finally led to Congress."

But nevertheless Congress passed the legislation! The law stated that:

"Sec. 8. This joint resolution shall expire one hundred and eight days after the date of its enactment, except that it shall remain in effect with respect to the last sentence of section 4 for the period prescribed in that sentence."

The last sentence of Section 4 stated:

"The award shall continue in force for such period as the arbitration board shall determine in its award, but not to exceed two years from the date the award takes effect, unless the parties agree otherwise."

The last part of the Public Law 88-108 therefore expired on January 24, 1966—on that date, the Award of the Arbitration Board created by the law reached its two year period and died. But the railroads did not want it to die, and in spite of the fact that the parties had no agreed to extend it, the railroads just went to the district court in Washington, and here is what they stated to the court:

(From Carriers' petition in Civil Action No. 142-66, Page 22:)

"WHEREFORE, the plaintiffs pray that this Court (1) adjudge and declare that the rules and procedures prescribed by or pursuant to the Award by Arbitration Board No. 282 continue in effect until changed by agreement or until the procedures provided by the Railway Labor Act have been exhausted. . . ."

Now the law passed by this Congress specifically provided otherwise. The award rendered by the Arbitration Board, Congress said, would expire unless the parties agreed that it would continue.

But the railroads did not want what Congress gave them, or at least they did not want to give up what they got from the law. They wanted to completely reverse the processes of collective bargaining in the dispute by obtaining the rule they desired and then having the rule continue in effect until changed by what? By the same procedure through which they could not obtain the same rule. They wanted to wipe out the agreements in effect between them and their employees, and they did it with the help of this Congress and the court in Washington—and in complete disregard of the legislation which was passed, Congress thought, to ASSIST collective bargaining!!!

Now we are again attempting to dispose of a different dispute. This dispute now involves our efforts to restore the working conditions which the Congress and the courts helped the railroads destroy.

Collective bargaining cannot possibly survive under the kind of justice the railroad men have been given through Congressional intervention!

Let me add a little more to this story. It isn't over yet.

Now the railroads are going to the courts to get an injunction every time some dispute arises on the railroads which they can relate to the compulsory arbitration law even remotely, and the fact that the law is supposed to have expired completely on January 25, 1966 seems to bother neither the railroads nor the courts.

We served notices under the Railway Labor Act in June of 1965, in an attempt to negotiate with these railroads and settle the dispute with them which was involved in Public Law 88-108, the consist of crews. The railroads refused to bargain or even meet our committees, and they went to the district court in the case I described above. We are still trying to get the railroads to bargain with us in this dispute one year later, and the railroads are right this minute attempting to force this dispute back from the individual railroad properties where it belongs into another national dispute so that they can come screaming to Congress for more help.

I hope they will not succeed in getting another national dispute going. I hope this time they will be forced to bargain with their employees at home on their own individual railroad properties, and do just like most of the railroads in the east have already done—make a reasonable and fair agreement to cover the assignment of men to railroad crews. Over 80% of the railroad workers in the east have settled this dispute with the nation's largest railroads—but the National Railway Labor Conference is still exerting its influence to prevent the western and south-eastern railroads from settling the dispute in any other way than at the national level, where they feel they can expect the help of Congress to prevent disposition of the dispute in the way the railroads in the east have already gone—through collective bargaining!

The Brotherhood had a dispute recently on the Illinois Central Railroad which involved a request for a rule to cover the use of radio communicating equipment. The dispute had no connection whatsoever with the crew consist dispute covered by Public Law 88-108, but again the railroads rushed to the district court in Washington for an injunction. The court not only issued the injunction, but also consolidated this case with the one already pending which the carriers had instigated which attempts to prolong Public Law 88-108 and the arbitration award indefinitely in utter defiance of the express provisions of the law and the Congressional intent.

I am telling you this story as briefly as I can—there is much more which could be said. But I just wanted this Congress to know what happened to its good intentions when it set up a two year compulsory arbitration law. I can tell you from experience that there is no end to the damage that law has done to collective bargaining on the railroads, and I can also tell you that it appears to the railroad employees that Congress must have been dreaming when it passed the law because it has become a nightmare to the railroad workers.

I am still doing what I can to attempt to have our crew consist dispute settled under the terms of the Railway Labor Act, on each individual railroad property, by negotiation. It is pretty hard to do, though, when the railroad personnel managers tell our people that they would like very much to make a deal similar to the one made by the eastern railroads, but they just cannot do it without permission from the National Railway Labor Conference!

With that thought, I will conclude this statement with this plea: Please don't do it again to these air line workers. They most certainly deserve a better deal than this, and this Congress deserves a better fate than to become the haven for every management in trouble with its workers.

In closing, I would like to leave with the Committee two thoughts embodying which I firmly believe will be the ultimate results if the Congress enacts into law the legislation now being considered:

Each time the Congress intervenes in a labor-management dispute and says in effect, "this legislation only covers this one dispute," it issues an open invitation to management to bring their disputes to the Congress. Regardless of how Congress dresses up the language in their handling of the airline dispute, or the type of language it used in the railroad dispute of 1963, it still means the same thing, compulsory arbitration.

Each time the Congress imposes compulsory arbitration and their part in the airline dispute will end up in compulsory arbitration, it is skirting on the threshold of nationalization of all public utilities. This may seem to you to be a radical statement, which I submit it is well worth remembering.

(Whereupon, at 12:05 p.m., the committee adjourned to go into executive session.)

The first of these is the fact that the American Medical Association has been successful in its efforts to secure the passage of the Federal Food and Drug Act, which has placed under the control of the Federal Government the sale of all drugs and medicines in this country. This is a very important step, and one which has long been desired by the public.

The second of these is the fact that the American Medical Association has been successful in its efforts to secure the passage of the Federal Food and Drug Act, which has placed under the control of the Federal Government the sale of all drugs and medicines in this country. This is a very important step, and one which has long been desired by the public.

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APPENDIX

1872

(The following material was submitted by the five carriers:)

P.E.B. No. 166. CARRIERS EXHIBIT No. 26

This exhibit shows that the average hourly earnings of IAM-represented employees five carriers have increased a greater percentage (55.7 percent) than the average hourly earnings for all manufacturing production workers (39.1 percent) in the period from January 1956 to January 1966.

Comparison of selected average hourly earnings (excluding overtime) of industry with the 5 carriers' IAM-represented employees, January 1956 to January 1966

	All manufacturing		Durable goods		Nondurable goods		5 carriers	
	Earnings	Percent increase	Earnings	Percent increase	Earnings	Percent increase	Earnings	Percent increase
January 1956.....	\$1.84	-----	\$1.97	-----	\$1.67	-----	\$2.12	-----
January 1966.....	2.56	+39.1	2.72	+38.1	2.31	+38.3	3.30	+55.7

Source: Employment and Earnings, Bureau of Labor Statistics; company records.

P.E.B. No. 166. CARRIERS EXHIBIT No. 27

This exhibit shows the relationship of the average gross hourly earnings of the IAM-represented employees of the five carriers with the gross hourly earnings of production workers by industry groups and railroad maintenance of equipment and stores employees throughout the past 10 years.

The IAM-represented employees progressed from a ranking of fifth place among the groups in 1956 to the top position in 1962, a position which has been retained to date.

AIRLINE LABOR DISPUTE

Ranking of average gross hourly earnings of production workers by industry, maintenance of equipment and stores employees of the railroads, and IAM-represented employees of the 5 carriers, January of each year, 1956 to 1966

	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956
5 carriers.....	\$3.42 (1)	\$3.41 (1)	\$3.22 (1)	\$3.18 (1)	\$3.00 (1)	\$2.94 (2)	\$2.86 (2)	\$2.78 (1)	\$2.48 (3)	\$2.35 (4)	\$2.10 (5)
Petroleum refining and related industries.....	3.37 (2)	3.24 (2)	3.20 (2)	3.14 (2)	3.08 (2)	3.00 (1)	2.89 (1)	2.77 (2)	2.73 (1)	2.60 (1)	2.43 (1)
Transportation equipment.....	3.26 (3)	3.19 (3)	3.08 (3)	2.97 (4)	2.87 (4)	2.70 (4)	2.74 (4)	2.60 (4)	2.44 (5)	2.30 (3)	2.23 (4)
Primary metals industries.....	3.23 (4)	3.15 (4)	3.06 (4)	2.99 (3)	3.01 (3)	2.82 (3)	2.81 (2)	2.76 (3)	2.56 (2)	2.47 (2)	2.33 (2)
Ordnance and accessories.....	3.16 (5)	3.07 (5)	2.97 (5)	2.89 (5)	2.80 (5)	2.74 (5)	2.64 (5)	2.58 (5)	2.46 (4)	2.30 (6)	2.14 (7)
Printing, publishing, and allied industries.....	3.09 (6)	3.00 (6)	2.93 (6)	2.83 (6)	2.78 (6)	2.71 (6)	2.63 (6)	2.54 (6)	2.44 (5)	2.35 (4)	2.28 (3)
Machinery.....	3.03 (7)	2.92 (7)	2.84 (7)	2.75 (7)	2.67 (7)	2.58 (7)	2.53 (8)	2.43 (8)	2.33 (8)	2.26 (7)	2.16 (6)
Railroad, maintenance of equipment and stores.....	2.96 (8)	2.88 (8)	2.74 (9)	2.73 (8)	2.62 (8)	2.52 (8)	2.46 (9)	2.35 (9)	2.25 (9)	2.21 (8)	2.09 (8)
Chemicals and allied products.....	2.93 (9)	2.84 (9)	2.77 (8)	2.69 (9)	2.63 (8)	2.54 (9)	2.45 (9)	2.35 (9)	2.25 (9)	2.14 (9)	2.03 (9)
Fabricated metal products.....	2.81 (10)	2.72 (10)	2.65 (10)	2.58 (10)	2.53 (10)	2.45 (10)	2.42 (10)	2.31 (10)	2.20 (10)	2.11 (10)	2.00 (11)
Paper and allied products.....	2.70 (11)	2.61 (11)	2.52 (11)	2.44 (11)	2.38 (11)	2.30 (11)	2.22 (11)	2.15 (11)	2.06 (11)	1.97 (11)	1.87 (11)
Stone, clay, and glass products.....	2.67 (12)	2.56 (12)	2.50 (12)	2.44 (12)	2.39 (12)	2.30 (12)	2.25 (12)	2.17 (12)	2.10 (12)	2.02 (12)	1.91 (12)
Instruments and related products.....	2.66 (13)	2.59 (13)	2.51 (13)	2.46 (13)	2.42 (13)	2.36 (13)	2.27 (13)	2.20 (13)	2.11 (13)	2.04 (13)	1.93 (13)
Rubber and miscellaneous plastic products.....	2.64 (14)	2.59 (14)	2.50 (14)	2.46 (14)	2.42 (14)	2.34 (14)	2.28 (14)	2.26 (14)	2.14 (14)	2.08 (14)	2.01 (14)
Electrical equipment and supplies.....	2.61 (15)	2.56 (15)	2.50 (15)	2.43 (15)	2.38 (15)	2.33 (15)	2.25 (15)	2.18 (15)	2.09 (15)	2.02 (15)	1.90 (14)
Food and kindred products.....	2.48 (16)	2.44 (16)	2.38 (16)	2.30 (16)	2.24 (16)	2.16 (16)	2.10 (16)	2.01 (16)	1.93 (16)	1.84 (16)	1.75 (16)
Miscellaneous manufacturing industries.....	2.40 (17)	2.36 (17)	2.30 (17)	2.23 (17)	2.18 (17)	2.13 (17)	2.06 (17)	1.98 (17)	1.90 (17)	1.81 (17)	1.72 (17)
Lumber and wood products.....	2.20 (18)	2.14 (17)	2.09 (17)	2.03 (17)	1.98 (17)	1.93 (17)	1.89 (17)	1.83 (17)	1.79 (17)	1.75 (17)	1.66 (17)
Furniture and fixtures.....	2.16 (18)	2.08 (18)	2.02 (18)	1.97 (18)	1.94 (18)	1.84 (18)	1.83 (18)	1.80 (18)	1.74 (18)	1.65 (18)	1.60 (18)
Tobacco manufacturers.....	2.15 (19)	2.07 (19)	2.02 (19)	1.97 (19)	1.94 (19)	1.89 (19)	1.85 (19)	1.81 (19)	1.76 (19)	1.72 (18)	1.65 (18)
Leather and leather products.....	2.15 (19)	2.07 (19)	2.02 (19)	1.97 (19)	1.94 (19)	1.89 (19)	1.85 (19)	1.81 (19)	1.76 (19)	1.72 (18)	1.65 (18)
Textile mill products.....	1.91 (21)	1.86 (21)	1.79 (21)	1.74 (21)	1.71 (21)	1.65 (21)	1.62 (21)	1.58 (21)	1.54 (21)	1.50 (21)	1.41 (21)
Apparel and related products.....	1.85 (23)	1.83 (22)	1.76 (23)	1.69 (23)	1.65 (23)	1.61 (23)	1.58 (23)	1.51 (23)	1.49 (23)	1.49 (23)	1.41 (21)
	1.85 (23)	1.81 (23)	1.78 (22)	1.70 (22)	1.69 (22)	1.62 (22)	1.58 (23)	1.57 (22)	1.53 (22)	1.51 (20)	1.41 (21)

¹ As of November 1965.

NOTE.—Figure in parentheses indicates ranking of earnings.

Source: Employment and Earnings, U.S. Department of Labor; Wage Statistics for Class I Carriers, Interstate Commerce Commission; company records.

Revenue yield history, 5 struck carriers (price and mix)

Year	Yield per revenue passenger-mile	Yield per freight ton-mile	Yield per revenue ton-mile ¹
1956	\$0.0521	\$0.238	\$0.505
1957	\$0.0498	\$0.248	\$0.514
1958	\$0.0521	\$0.251	\$0.508
1959	\$0.0552	\$0.244	\$0.544
1960	\$0.0616	\$0.249	\$0.561
1961	\$0.0627	\$0.234	\$0.568
1962	\$0.0621	\$0.225	\$0.580
1963	\$0.0592	\$0.235	\$0.563
1964	\$0.0577	\$0.221	\$0.545
1965	\$0.0579	\$0.207	\$0.520
Percent change: 1961 to 1965	-7.7	-11.5	-8.5
United Air Lines only (1st 6 months):			
1961	\$0.0618		\$0.567
1965	\$0.0588	\$0.204	\$0.535
1966	\$0.0553	\$0.198	\$0.595
Percent change:			
1961 to 1966	-10.5		-12.7
1965 to 1966	-6.0	-2.9	-7.5

¹ Based on transportation revenues only. Our assumption would be that the other carriers would have probably experienced a change similar to the -12.7 percent experienced by United Air Lines in 1961-66.

Return on investment, 5 struck carriers

[Dollar amounts in thousands]

Year	Investment ¹ base ²	Return		Total return	Rate of return (percent)
		Net income ³	Interest		
1956	\$471,848	\$32,963	\$6,772	\$39,735	8.4
1957	582,707	14,490	9,464	23,954	4.1
1958	707,323	24,700	14,543	39,243	5.5
1959	833,575	32,500	17,917	50,417	6.0
1960	1,005,989	10,340	24,457	34,797	3.5
1961	1,289,164	(35,546)	45,318	9,772	.08
1962	1,363,005	5,899	51,928	57,827	4.2
1963	1,307,779	19,740	49,901	69,641	5.3
1964	1,460,638	89,745	50,719	140,464	9.6
1965	1,861,842	160,896	53,683	214,579	11.5
Average:					
1961-65	1,456,486	48,147	50,310	98,457	6.8
1956-65	1,088,387	35,573	32,470	68,043	6.3

¹ Capital investment.

² 5 quarter averages.

³ Excludes special items—taxes computed at "normal rates."

Source: Testimony of James J. Kerley representing the 5 carriers before the Presidential Emergency Board, May 1966.

Dividend history, 5 struck carriers

Year	Cash dividends	Net income	Book value at end of year	Dividends paid at percent of—	
				Net income	Book value
1956	\$9,612	\$34,595	\$326,556	27.8	2.9
1957	6,402	27,095	390,827	23.6	1.6
1958	6,323	24,593	410,423	25.7	1.5
1959	6,980	42,734	452,631	15.6	1.5
1960	7,087	12,755	488,824	55.6	1.5
1961	5,188	(40,214)	419,383	-----	1.2
1962	5,074	(253)	414,785	-----	1.2
1963	5,515	13,870	466,858	39.8	1.2
1964	14,298	93,231	575,460	15.3	2.5
1965	17,847	186,298	849,943	9.6	2.1

Comparison of gross hours and earnings of contract construction workers versus 5 carriers IAM-represented employees

	Contract construction workers	5 carriers	
		January 1966	Rejected settlement
Average hourly earnings	\$3.82	\$3.42	\$3.58
Average weekly hours	37	41.6	41.6
Average weekly earnings	\$141.34	\$142.27	\$148.93
Number of weeks	52	52	52
Average annual earnings	\$7,349.68	\$7,398.04	\$7,744.36

NOTE.—Job security: Of 8 major nonagricultural industries listed in table 4, p. 96, of Employment and Earnings and Monthly Report on the Labor Force, BLS, vol. 13, No. 1, July 1966, the construction industry had the highest 2d quarter unemployment rate in the years 1964 (8.6 workers involuntarily unemployed per 100), 1965 (8.4), and 1966 (6.1).

Although figures are not readily available for the 5 carriers, an accurate estimate would be less than 1 employee per 100 is on layoff status at any given time.

Sources: Carrier records; BLS Employment and Earnings and Monthly Report on the Labor Force, vol. 13, No. 1, July 1966, pp. 17, 60, and 96.

Mechanics' and related employees' wage comparison, domestic trunk carriers—Inspection and mechanical function

	Airline										Delta
	Braniff	Continental	Eastern	National	Northeast	Northwest	TWA	United	American	Western	
Pay rates effective.....	1-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	2-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	4-3-65 to 4-29-66	10-1-64 to 11-1-65	2-1-66
Agreement signed.....	12-16-63	12-31-63	12-30-63	1-10-64	1-28-65	1-3-64	1-24-64	12-30-63	7-4-64	IAT IAM IAT	
Union.....	IAM	TWU									
Lead inspector.....					\$3.97	\$3.87	\$3.85				
Inspector.....											
1st 3 months.....	\$3.73	\$3.74	\$3.79	\$3.74	3.75	3.76	3.74	3.74	\$3.82	\$3.68	(¹) \$3.83
Next 3 months.....											3.83
Next 6 months.....											3.97
Do.....											4.06
Miscellaneous Inspector classifications.....											
General Inspector.....						3.76					
Lead parts and materials inspector.....						3.67					
Parts and materials inspector.....						3.55					
Shop inspector.....						3.63					
Lead mechanic.....						(²)	3.74	3.74	(³) 3.82	3.68	3.78-3.90
1st 3 months.....	(¹) 3.73	3.74	3.79	3.74	3.76						(²)
Next 3 months.....											3.78
Next 6 months.....											3.84
Do.....											3.90
Mechanic.....											
1st 3 months.....	(¹) 3.19	3.11	3.20	3.20	3.23	3.17	3.20	3.20	(⁴) 3.22	3.11	3.37
Next 3 months.....	3.19	3.11	3.26	3.26	3.23	3.23	3.26	3.26	3.25	3.11	3.37
Next 6 months.....	3.24	3.10	3.32	3.32	3.32	3.30	3.32	3.32	3.34	3.17	3.41
Do.....	3.31	3.26	3.38	3.38	3.38	3.37	3.38	3.38	3.40	3.23	3.47
Do.....	3.36	3.37	3.44	3.44	3.44	3.43	3.44	3.44	3.46	3.30	3.53
Do.....	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.54	3.37	3.67
Miscellaneous mechanic classifications.....											
Lead mechanic, plant miscellaneous.....											
1st 3 months.....						3.74			3.82		
Thereafter.....											
Mechanic, plant maintenance.....											
1st 3 months.....						3.17			3.22		
Next 3 months.....						3.23			3.28		
Next 6 months.....						3.30			3.34		
Do.....						3.37			3.40		
Do.....						3.43			3.46		
Thereafter.....						3.52			3.54		

See footnotes at end of table.

Mechanics' and related employees' wage comparison, domestic trunk carriers—Inspection and mechanical function—Continued

	Airline										
	Braniff	Continental	Eastern	National	Northeast	Northwest	TWA	United	American	Western	Delta
Junior mechanic:											
1st 3 months.....									\$2.06	Shop specialist \$2.76	(*) \$2.42
Next 3 months.....									2.06	2.76	2.42
Next 6 months.....									3.06	2.89	2.60
Do.....										2.96	2.72
Do.....											2.79
Do.....											2.89
Do.....											2.91
Do.....											2.99
Mechanic helper:											
1st 3 months.....				Utility employee \$2.60	\$2.50		\$2.66	\$2.56			
Next 3 months.....				2.66	2.50		2.73	2.63			
Next 6 months.....				2.72	2.66						
Do.....				2.78	2.72						
Do.....					2.78						
Apprentice mechanic:				(*)							
1st 6 months.....		\$2.04	\$2.32	2.38				2.11			
Next 6 months.....		2.10	2.42	2.44		(*)		2.20			
Do.....		2.34	2.52	2.50				2.40			
Do.....		2.49	2.62	2.56				2.62			
Do.....		2.64	2.72	2.62				2.82			
Do.....		2.84	2.82	2.68				2.92			
Next 3 months.....			3.12	2.74				3.17			
Do.....			3.18					3.17			
Next 6 months.....			3.24					3.34			
Plant maintenance man:											
1st 3 months.....	\$3.25								2.77		
Next 3 months.....	3.25						\$2.64		2.77		
Next 6 months.....	3.30						2.70		2.82		
Do.....	3.40								2.85		
Do.....	3.40								2.90		
Do.....	3.49										
Automotive mechanic:											
1st year.....	3.00										
2d year.....	3.12										
3d year.....	3.22										
Thereafter.....	3.36										

* Add additional 5 cents per hour for line service.

* Add additional 3 cents per hour for line service.

* Add additional 2 cents per hour for line service.

* Int. sec. junior mechanic for A.A.

* DAL—Additional 3 cents per hour for line service.

* NAL—No employee in the classification.

* NWA—To be negotiated if apprentice program reactivated.

Mechanics' and related employees' wage comparison, domestic trunk carriers—Stores function

		Airline										
		Braniff	Continental	Eastern	National	Northeast	Northwest	TWA	United	American	Western	Delta
Pay rates effective		1-6-65 to 8-1-68	1-1-65 to 12-31-65 Lead stock clerk	1-1-65 to 12-31-65 Lead stock clerk	1-1-65 to 12-31-65 Lead stock clerk	3-20-66 to 9-17-67 Lead stockkeeper	1-1-65 to 12-31-65 Stock clerk in-charge	1-1-65 to 12-31-65 Lead stores clerk	1-1-65 to 12-31-65 Lead stockkeeper	3-3-65 to 4-29-66 Lead stock clerk	1-1-65 to 7-1-66 Lead storekeeper	2-1-66 Lead supply attendant
Stores function:			\$3.07	\$3.53	\$2.90	\$3.30	\$3.18	\$3.08	\$3.11	\$3.18	\$2.68	\$3.23
1st 3 months		3.07	3.05	3.11	3.17						2.69	3.23
Next 3 months		3.22									2.74	3.31
Next 6 months											2.80	
Do.											2.85	
Do.											2.92	
Do.											2.98	
Do.											3.04	
Do.											3.10	
1st 3 months		\$2.38	\$2.24	\$2.85	\$2.71	\$2.70	\$2.47	\$2.60	\$2.60	\$2.47	\$2.22	\$2.50
Next 3 months		2.38	2.21	2.85	2.71	2.70	2.60	2.71	2.72	2.54	2.22	2.62
Do.		2.50	2.27	2.91	2.83	2.70	2.67	2.76	2.77	2.60	2.38	2.68
Do.		2.50	2.18	2.91	2.80	2.70	2.79	2.70	2.82	2.60	2.38	2.68
Next 6 months		2.56	2.73	3.05	2.95	2.70	2.88	2.81	2.82	2.66	2.44	2.74
Do.		2.64	2.73	3.13	2.95	2.70	2.88	2.86	2.87	2.72	2.46	2.88
Do.		2.69	2.90	3.19	2.95	2.87	2.93	2.91	2.79	2.85	2.52	2.94
Do.		2.72				3.04		2.96	2.79	2.85	2.52	3.00
Do.		2.72				3.04		2.96	2.79	2.92	2.64	3.08
Do.		2.83									2.76	
Do.		2.83										
6th year		2.80										
7th year		2.80										
8th year		2.91										
1st 3 months					Stock clerk						Stock clerk	
Next 3 months					\$2.48						2.22	
Next 6 months					2.54						2.38	
Do.					2.58						2.44	
Do.					2.64						2.56	
Do.					2.69						2.62	
Do.					2.75							

1 Job classifications covered under BNP-BRC agreement signed Mar. 4, 1964.
 2 Job classifications covered under NEA-TWU agreement signed Mar. 16, 1966.
 3 Job classifications covered under AAL-TWU agreement signed July 4, 1964.
 4 Job classifications covered under WAL-BRC agreement signed July 23, 1963.
 5 AAL—Lead stock records clerk and stock records clerk on same pay scale as lead stock clerk and stock clerk.

Mechanics' and related employees' wage comparison, domestic trunk carriers—Fueling function

		Airline										
		raiff	Continental	Eastern	National	Northeast	Northwest	TWA	United	American	Western	Delta
Pay rates effective.....		1-1-55 to 12-31-55	1-1-55 to 12-31-55	1-1-55 to 12-31-55	1-1-55 to 12-31-55	2-1-55 to 12-31-55	1-1-55 to 12-31-55	1-1-55 to 12-31-55	1-1-55 to 12-31-55	1-4-55 to 4-29-55	10-1-54 to 11-1-55	2-1-55
Fueling function:				<i>Lead ramp serviceman</i>			<i>Equipment service chief</i>	<i>Lead ground service helper</i>	<i>Lead fueler</i>	<i>Lead ground servicemen</i>		<i>Lead service agent</i>
1st 3 months.....				\$2.66			\$3.00	\$2.95	\$3.02	\$3.11		\$2.34
Next 3 months.....				2.77								2.34
Next 6 months.....				2.83								2.45
Do.....				2.88								2.57
Do.....				2.93								2.80
Do.....				2.96								2.80
4th year.....												2.91
5th year.....												43.03
												43.17
1st 3 months.....		<i>Ground serviceman</i>	<i>Maintenance service helper</i>	<i>Ramp serviceman</i>	<i>Gas truck driver</i>	<i>Mechanic helper</i>	<i>Equipment serviceman</i>	<i>Ground service helper</i>	<i>Fueler</i>	<i>Ground serviceman</i>	<i>Utility man</i>	<i>Service agent</i>
Next 3 months.....		\$2.43	\$2.24	\$2.43	\$2.67	\$2.59	\$2.48	\$2.66	\$2.72	\$2.47	\$2.62	\$2.34
Next 6 months.....		2.43	2.24	2.49	2.73	2.60	2.55	2.70	2.77	2.54	2.62	2.34
Do.....		2.59	2.29	2.54	2.79	2.66	2.61	2.75	2.82	2.60	2.66	2.45
Do.....		2.69	2.39	2.60	2.72	2.68	2.68	2.80	2.87	2.66	2.72	2.57
Do.....		2.69	2.54	2.65	2.91	2.78	2.74	2.83	2.87	2.72	2.79	2.68
Do.....		2.75	2.64	2.75	2.97	2.79	2.80	2.88	2.87	2.79	2.79	2.68
Do.....		2.79	2.79	2.78	2.97	2.79	2.80	2.88	2.87	2.85	2.77	2.77
4th year.....												42.85
5th year.....												42.97
1st 3 months.....					<i>Lead ramp serviceman</i>							
Next 3 months.....					\$2.92							
Next 6 months.....												
Do.....												
Thereafter.....												
					<i>Ramp serviceman</i>							
1st 3 months.....					\$2.54							
Next 3 months.....					2.63							
Next 6 months.....					2.68							
Do.....					2.73							
Thereafter.....					2.81							

1 Covered under AAL-TWU agreement.
 2 Covered under WAL-TBT agreement.
 3 At technical services locations (JFK, ORD, MKC, MCI, LAX, and SFO).

4 DAL: Designated rate is received after 3½ years.
 5 DAL: Designated rate is received after 4½ years.
 6 At other than technical services locations.

Mechanics' and related employees' wage comparison—Aircraft and/or parts cleaning function

	Airline										
	Brantiff	Continental	Eastern	National	Northeast	Northwest	TWA	United	American	Western	Delta
Pay rates effective.....	1-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	2-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	1-4-3-65 to 4-29-66	10-1-64 to 11-1-65	2-1-66
Aircraft and/or parts cleaning:											
1st 3 months.....	Lead cleaner \$2.29	Lead cleaner \$2.56	Lead cleaner \$2.46	Lead cleaner \$2.51	Lead cleaner \$2.70	Lead cleaner \$2.64	Lead fleet service helper ³ \$2.78	Lead cleaner \$2.58	Lead cleaner A/C \$2.81	Lead fleet serviceman \$2.46	Lead cleaner \$1.91
Next 3 months.....	2.34	2.56	2.51	2.60	2.00					2.46	1.91
Do.....	2.34	2.56	2.56	2.66						2.50	1.98
Do.....	2.44		2.61							2.56	2.05
Next 6 months.....											
1st 3 months.....	Cleaner \$2.19	Cleaner \$2.39	Cleaner ⁴ \$2.28	Cleaner \$2.51	Utilityman \$2.33	Cleaner \$2.36	Fleet service helper ³ \$2.51	Cleaner \$2.39	Cleaner A/C \$2.37	Fleet service (cleaner) \$2.31	Cleaner \$1.85
Next 3 months.....	2.19	2.39	2.33	2.35	2.33	2.43	2.56	2.43	2.41	2.31	1.85
Do.....	2.24	2.46	2.38	2.41	2.40	2.49	2.61	2.48	2.48	2.35	1.83
Do.....	2.24		2.38	2.41			2.66	2.48	2.48	2.35	1.83
Next 6 months.....	2.34		2.43	2.46				2.54	2.54	2.41	2.00
Do.....											
1st 3 months.....									Lead parts washer \$2.21		
Next 3 months.....											
Thereafter.....											
1st 3 months.....											
Next 3 months.....											
Next 6 months.....											
Do.....											
Do.....											

¹ Covered under AAL-TWU agreement.

² Covered under WAL-TBT agreement.

³ TWA—At other than technical services locations.

⁴ TWA—At technical services locations only (JFK, ORD, MKC, MCI, LAX, and SFO).

⁵ EAL—If regularly assigned to operate steam jennies or sandblast machines, receives 8 cents per hour above scale.

⁶ TWA—At other than technical services locations.

⁷ AAL—A blasting machine operator receives \$2.63 per hour.

Mechanics' and related employees' wage comparison, domestic trunk carriers—Building and equipment cleaning function

	Airline										
	Brantiff	Continental	Eastern	National	Northeast	Northwest	TWA	United	American	Western	Delta
Pay rates effective.....	1-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	3-20-66 to 9-17-67	1-1-65 to 12-31-65	1-1-65 to 12-31-65	1-1-65 to 12-31-65	3-3-65 to 4-29-66	10-1-64 to 11-1-65	2-1-66
Building and equipment cleaning:	Lead cleaner	Lead shop laborer	Lead shop laborer	Lead cleaner	Lead janitor	Lead janitor	Lead janitor	Lead utilitarian	Lead cleaner utilitarian	Lead serviceman fleet	Lead cleaner
1st 3 months.....	\$2.26	\$2.46	\$2.46	\$2.51	\$2.43	\$2.65	\$2.54	\$2.58	\$2.51	\$2.46	\$1.91
Next 3 months.....	2.29	2.51	2.60	2.66	2.43	2.65	2.54	2.58	2.51	2.46	1.91
Next 6 months.....	2.34	2.56	2.66	2.66	2.51	2.65	2.54	2.58	2.51	2.50	1.98
Do.....	2.34	2.61	2.61	2.61	2.51	2.64	2.54	2.58	2.51	2.50	2.05
Do.....					2.51	2.64	2.54	2.58	2.51	2.50	2.05
Thereafter.....			(1)		2.64	2.64	2.54	2.58	2.51	2.50	2.05
1st 3 months.....	Cleaner	Janitor	Shop laborer	Cleaner	Janitor	Janitor	Janitor	Utility- man	Cleaner, building	Plant serviceman (cleaner)	Cleaner
Next 3 months.....	2.10	\$2.32	\$2.28	\$2.31	\$2.33	\$2.37	\$2.32	\$2.39	\$2.41	\$2.31	\$1.88
Do.....	2.19	2.32	2.33	2.33	2.33	2.44	2.37	2.43	2.47	2.31	1.86
Do.....	2.24	2.38	2.38	2.41	2.33	2.50	2.43	2.54	2.54	2.35	1.98
Do.....	2.24	2.38	2.38	2.41	2.33	2.54	2.43	2.54	2.54	2.35	1.98
Next 6 months.....	2.34	2.43	2.43	2.46	2.41	2.41	2.41	2.41	2.41	2.41	2.00
Do.....	2.34	2.43	2.43	2.46	2.41	2.41	2.41	2.41	2.41	2.41	2.00
Thereafter.....					2.41	2.53	2.41	2.41	2.41	2.41	2.00
1st 3 months.....	Cleaner	Janitor	Shop janitress	Cleaner	Janitor	Janitress	Janitor	Cleaning women	Utility- man, plant maintenance	Plant serviceman (cleaner)	Maid
Next 3 months.....	2.10	\$2.05	\$2.05	\$2.05	\$2.17	\$2.17	\$2.17	\$2.19	\$2.02	\$2.31	\$1.62
Do.....	2.10	2.10	2.10	2.10	2.23	2.23	2.23	2.25	2.02	2.31	1.62
Do.....	2.15	2.15	2.15	2.15	2.28	2.28	2.28	2.25	2.02	2.35	1.62
Next 6 months.....	2.15	2.15	2.15	2.15	2.32	2.32	2.32	2.32	2.04	2.41	1.62
Do.....	2.15	2.15	2.15	2.15	2.32	2.32	2.32	2.32	2.04	2.41	1.62
Next 6 months.....	2.20	2.20	2.20	2.20	2.52	2.52	2.52	2.52	2.04	2.41	1.69
Do.....	2.20	2.20	2.20	2.20	2.52	2.52	2.52	2.52	2.04	2.41	1.69
Next 6 months.....	2.20	2.20	2.20	2.20	2.52	2.52	2.52	2.52	2.04	2.41	1.69

¹ Covered under NEA-TWU agreement.
² Covered under AAL-TWU agreement.
³ Covered under WAL-IBT agreement.

⁴ EAL—If regularly assigned to driving trucks and tractors in connection with work, receives 5 cents per hour above scale.

(The following additional material was submitted by the Department of Labor:)

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington.

HON. HARLEY O. STAGGERS,
*Chairman, Interstate and Foreign Commerce Committee,
Rayburn House Office Building,
Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request that the Department of Labor furnish your Committee with comparative costs and estimates relating to the current airline dispute. You specifically requested estimates on the costs of the July 29, 1966 tentative agreement and the costs of the most recent position of the union as presented to the carriers in a joint meeting on August 8, 1966.

We estimate the costs of the July 29 agreement to be approximately \$73 million over the three-year duration of the contract, or an annual rate of increase of approximately 4.3 per cent. The estimated costs of the August 8 position of the union is approximately \$112 to \$114 million, or an annual rate of increase of 6.4 to 6.6 per cent.

It should be noted, however, that in costing the union's recent position we have not taken into account the demand for a cost of living escalator provision. Such a provision could substantially increase total costs over the life of the contract.

Sincerely,

W. WILLARD WIRTZ,
Secretary of Labor.