MEMORANDUM

THE WHITE HOUSE

WASHINGTON

EXECUTIVE LA6/Airlines FG 160

April 20, 1966
11:15 pm

FOR THE PRESIDENT

FROM Joe Califano

Attached is a memorandum from Wirtz analyzing the airline situation. He comes to the same conclusion, but outlines various alternatives.

Also attached is Ackley's memorandum giving all the arguments he can muster against the creation of an emergency board and the arguments for a board.

Finally, I am attaching a new list of names for consideration as members of the board. It is an interesting list, and I personally know two of the members -- Dick Neustadt and Warren Christopher. As you know, Neustadt will be down here tomorrow. He is certainly Presidentially oriented. I do not know what Christopher's views on the guideposts would be, although he is a brilliant young lawyer with some experience in the airlines industry and close to Governor Brown. Bob McNamara tried to get him as General Counsel of the Defense Department. If you desire, I know him well enough to check out his views on the guidelines with no problem at all.

I do not know any of the others personally, but I am sure Wirtz or Reynolds can get some information on their views if any of them appeal to you.

Wirtz and I are prepared to discuss this with you tomorrow.

Attachments

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

April 20, 1966

MEMORANDUM FOR THE PRESIDENT

Airlines Case.

The "impact" of a strike of the five lines (TWA, UAL, NW, EAL and National) would be serious. It would not cause a national emergency. The political pressures to "do something" would be stronger than the economic pressures.

The bigger point is how this case ties in with the overall collective bargaining and stabilization situation. There are several relevant -- and conflicting -- considerations:

* The real issue in the case is the guideposts. The companies have said they will go to 3.2% increase; the union (IAM) has said it will not settle for 3.2%.

* The union will never, under any circumstances, settle here for 3.2%.

  -- P. L. Siemiller, the IAM President, has been one of the two or three most bitter public critics of the guideposts. Although he pretends to be an Administration supporter, his public comments (about both 14(b) and the guidelines) have come closer to personal criticism of the President than any other labor leader. He is new in the presidency of the IAM, new on the AFL-CIO Executive Council.

  -- Joe Ramsey, the International Vice President in charge of the IAM airline division, is a strong and outspoken Republican. He is a capable and tough bargainer. He is retiring later this year and considers this case his monument.

* The IAM and the Transport Workers Union (formerly Mike Quill) are strong competitors.

  -- The IAM feels that it has to make as strong a play here as Mike Quill did in the N.Y. Transit case.

  -- The TWU represents the mechanics on American Airlines and Pan American. Negotiations are already under way on those two lines; and the TWU demand is for an increase of over 10% a year.

* The five companies involved here have staked out a 3.2% position, and have been stating publicly that they are doing it in support of the President's position. They are urging that an Emergency Board be set up.

* The other two major airlines (American and Pan Am) have both had cases within the past two years in which there was a question about setting up an Emergency Board. Both of those cases were <u>settled</u> when I made it clear that the Board procedure was <u>not</u> going to be followed. <u>American and Pan Am</u> (which will of course not be <u>hurt</u> by a strike here) <u>would possibly feel that there should not be a Board set up here</u> -- although the cases are different (<u>their</u> cases involved a single airline; there are <u>five</u> involved here).

<u>There are three courses available here</u>: <u>let the strike take place, and let it go on until the parties settle</u>; <u>set up an Emergency Board now</u>; <u>or let the strike take place and set up a Board next week</u>. These are the consequences of each course:

1. <u>If no Board is set up</u>:

   -- The strike will probably go on for about a week or ten days.

   -- During this period there will be mounting political and editorial pressure to use the statutory procedure.

   -- The companies will probably capitulate -- settling for a 5% wage increase (per year), <u>possibly</u> with a cost-of-living escalator included, and with other changes costing another one or two percent a year.

-- Its disadvantage is that it makes the action appear (especially to Labor) more the result of the inevitable management and editorial criticism of non-action. And it means that this weekend there will be three major strikes (coal, N.Y. newspapers, and airlines).

Recommendation: That an Emergency Board be set up on Thursday or Friday of this week -- before the strike starts -- with the most responsible possible membership.

The principal reasons for this:

* It will mean a more nearly reasonable final settlement.
* If no Board is set up, there will be strong and effective criticism of Presidential failure to act, followed by a very high settlement.
* Three major strikes at once is too many.

W. Willard Wirtz

W. Willard Wirtz
Secretary of Labor

-- The Government will not have been involved affirmatively in an above-the-guideposts settlement.

-- The IAM and Labor generally will applaud (or at least approve) the Administration action (or inaction). Pan Am and American Airlines will probably approve (quietly).

-- The 3.2% guideposts will be badly dented in another front-page national case.

-- <u>And the five companies and most commentators will scream to high heaven that in a case where management tried to hold the 3.2% line, the Administration did nothing -- even to not using an available statutory procedure (because the Union asked the President not to use it)</u>.

2. <u>If a Board is set up (now)</u>, there are two sets of possibilities:

(a) The Board <u>may</u> make recommendations substantially <u>above</u> the guideposts. In this event, both parties would probably accept the recommendation. There would be no strike. But the guideposts would be seriously weakened as the result of an above-3.2% recommendation from a Presidential board.

(b) <u>What is much more likely</u>: the Board will make a recommendation on the high side of the 3.2% area, but roughly in line with the guideposts principle, and with a strong statement of the stabilization interest.

The Union will then almost certainly strike.

There may or may not have to be some face-saving kind of adjustment made (in the Board's recommendation) to get a settlement.

3. <u>Let the strike start, and then set up a Board (probably early next week)</u>:

-- This presents the same two possibilities as Course #2.

-- Its <u>advantage</u> over Course #2 is that it makes the action <u>appear</u> more clearly a matter of necessity.

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

April 20, 1966

MEMORANDUM TO: Honorable Joseph A. Califano
Special Assistant to the President

Suggested names for Airline Emergency Board:

Richard Neustadt	Bureau of the Budget, 1946-50; White House Aide, 1950-53; Professor of Government, Columbia University 1954 -
Russell A. Smith	Professor of Law and Associate Dean, University of Michigan Law School. Arbitrator since 1948. Public Member, Regional Wage Stabilization Board, 1951-53. Atomic Energy Labor-Management Relations Panel since 1954.
Paul D. Hanlon	Lawyer and Arbitrator, Portland, Oregon. Has handled important cases in Airlines and Railway cases. Originally brought to our attention by Congresswoman Edith Green.
Ralph T. Seward	Arbitrator, Washington, D. C. Arbitrator since 1942. Experience in specific industries includes--automotive, aviation, dairy products, electrical appliances, electrical equipment, foundry, machinery, other than electrical, meat packing, metal fabrications, printing and publishing, refrigeration and air conditioning, rubber, ship building and drydock, steel. Presently permanent arbitrator Bethlehem Steel Corp.

<u>Warren M. Christopher</u> Lawyer, Los Angeles. Born 1925. Law Clerk to Justice Douglas. Editor Stamford Law Review. Participated International Textile negotiations 1961.

<u>Robert Allen Leflar</u> Professor of Law, University of Arkansas. Attorney, War Relocation Authority, 1942-44; Regional War Labor Board VII, 1944-45; Associate Justice, Supreme Court of Arkansas, 1944-51.

W. Willard Wirtz

W. Willard Wirtz
Secretary of Labor

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 20, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Arguments For and Against Appointing an Emergency Board in the Airline Case

A. Arguments Against a Board

1. It is impossible to guarantee that an emergency board would recommend a guidepost settlement. Arbitrators of stature are bound to be independent, and many of them don't approve of the guidepost policy. A recommendation going beyond the guideposts would seriously undermine public confidence in the guidepost policy.

2. If the board did produce a guidepost recommendation, people might say that the board was "loaded", or unduly influenced by the White House, and that this makes a mockery of the Railway Labor Act machinery. They would call it imposing wage controls without legal authority.

3. If a guidepost settlement could be achieved by direct negotiation between the parties, it would greatly strengthen the authority of the guideposts. Although this result may be unlikely, it is possible that strenuous efforts to influence the union might bring it off.

4. Establishing a board at this time may seriously aggravate the Administration's relations with organized labor. The union is apparently convinced that establishing a board means a guidepost recommendation. Naturally the aggravation would be intensified if the board in fact made a guidepost recommendation.

5. Up to now the guideposts have not been "imposed" on private employers and unions. They have been described as providing "voluntary guidance" to private parties. Assuming that a board would feel compelled to come up with a guidepost settlement, appointing such a board would represent an extension of the guidepost principle into a new situation. Some would consider this extension undesirable in a "free" economy.

6. An airline strike would not present a clear national emergency. It would create inconvenience and disruption; but it would not reduce GNP appreciably, create significant unemployment in other industries, or interfere with production.

B. Arguments For a Board

1. Especially if the board were carefully selected, there could be strong probability of a settlement at or very close to the guideposts. This would give the guidepost principle strong support at a time when such support is badly needed.

2. Appointing a board, which might be expected to make a guidepost recommendation, would prove to business and to the public that the Administration means to apply its stabilization policies evenhandedly toward labor and business (correcting the inference that some drew from the N.Y. subway case).

3. If a strike occurs, Wirtz is convinced that the employers would soon cave in, and accept an above-guidepost settlement. This would be a heavy blow to the guideposts; especially since people would realize you had the option of appointing a board that might have produced a guidepost settlement. The airlines -- who have tried to support the guideposts -- would feel betrayed.

4. The emergency board machinery was established by law for precisely this situation, and should be used, entirely apart from the guidepost issue. Failure to use it in this instance, in the face of union opposition to its use, might be interpreted as abdication to union pressure.

5. From an economic standpoint, the airlines dispute is exactly the kind of a situation for which the guideposts were intended. On the one hand there is a strong union; on the other a (regulated) monopoly which could successfully pass the cost of an excessive settlement along to consumers.

6. Although an airline strike might not reduce production appreciably, it would impose tremendous disruption and personal inconvenience, which would be greatly resented by the public, and for which the Administration would receive the blame.

Gardner Ackley

Gardner Ackley

filed Mar. 27, 1966

EXECUTIVE

LA6/Airline

ND9

FG115

PR11

THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON 25, D.C.

MEMORANDUM FOR MR. JOSEPH A. CALIFANO

SUBJECT: Impact of Airline Strike on Unofficial Leave Travel of Military Personnel

Arrangements being made for the movement of essential Defense traffic during the current strike will not provide for some 200,000 military passengers who use commercial airlines each month while on leave. It is estimated that perhaps 60,000 of these personnel are on leave prior to moving to the Southeast Asia theatre or have just returned and are on leave prior to receiving new duty assignments.

I am directing that priority be given on military aircraft to the movement of military personnel in a leave status, prior to or just subsequent to Southeast Asia assignments. I expect that while there will be instances of inconvenience that such travel requirements can be met.

Cyrus Vance
Cyrus R. Vance

Examples of Excessive Wage Settlements

Date	Industry	Estimated number of workers covered	Estimated settlement
(Sept. -Oct. 1964)	Automobiles	500,000	4.5% plus cost of living
(Aug. 1965)	Aerospace	100,000	4% plus cost of living
(Jan. 1966)	New York Transit	35,500	over 5%
(June 1966)	Western Lumber	80,000	about 5%

Examples of Moderate Major Settlements in the Last 3 Years

Date	Industry	Estimated Number of Workers Covered	Estimated Settlement
Sept. 1963	Electrical Machinery	100,000	3.0%
April 1964	Coal	60,000	3.2
August 1964	Meat packing	75,000	2.5 plus cost-of-living
Nov. 1964	Telephones	50,000	3.2
Dec. 1964	Atlantic & Gulf Coast Longshoring	60,000	2.5
March 1965	Glass containers	40,000	4.0
March 1965	Can Industry	29,000	3.5
April 1965	Rubber	50,000	3.2
April 1965	California Metal Trades	10,000	3.2
April 1965	New York Newspapers		3-3.5
April 1965	Northern Textiles	18,500	3.8
June 1965	Aluminum	32,000	3.9
July 1965	Aerojet	6,500	3.2 plus cost-of-living
*Sept. 1965	Telephone	16,000	3.8
Sept. 1965	Basic Steel	380,000	3.2
Oct. 1965	Oil	60,000	3.6
Oct. 1965	Federal Civil Service	1,900,000	3.6
**March 1966	Northern Cotton Textiles	8,000	4.0
March 1966	West Coast Paper	21,500	4.0
April 1966	Bituminous Coal	46,000	3.2
July 1966	Federal Civilian & Military Pay	1,900,000 plus military	3.2

*Set pattern for many other telephone settlements in following months.
**Expected to set pattern for 40,000 other Northern textile workers.

EXECUTIVE

LA6/Airlines

FG440

FG264

(4)

THE VICE PRESIDENT

WASHINGTON

April 14, 1966

MEMORANDUM

For: Joe Califano

From: The Vice President

Howard Gamser of the National Mediation Board will be presenting a list of distinguished judges and labor management specialists to the White House. From this list you apparently will recommend a panel to mediate the airline mechanics strike.

I have been told that on the list that you will receive will be the name of the Honorable John Weeks, District Judge, Minneapolis, Minnesota. I wholeheartedly recommend him. He is a very distinguished citizen, a highly respected judge, and one who has served as a labor conciliator and mediator in some very important cases. He is a man who commands the respect of both business and labor.

EXECUTIVE
LA6/Airlines

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3:47 p.m., Saturday
June 4, 1966

FOR THE PRESIDENT

FROM Joe Califano

wired to Ranch
11:00 am Sat
June 4

Wayne Morse called me last night and recommended that he, Ginsburg, and Neustadt deliver their report on the airlines situation on Sunday, June 5, the day it is due to you by law. Morse believes that it is important to have some drama at this point in the case and that that drama can be injected by a brief meeting at the Ranch with you.

The case is complicated. It involves five national issues (for example, wages, health benefits) and 40 local issues. There are five contracts involved. Wirtz believes that this is an important case in terms of the guidelines and stability. Morse generally agrees with that view. Ginsburg and Neustadt believe it is so complicated that it will be difficult to figure out whether the settlement i s within or without the guideposts.

On the wage issue, the company's last offer was $3.88 per hour at the end of a three-year contract); the Union's last request was $4.04 per hour. The Board will recommend $4.00 per hour at the end of a 42-month contract (the extra six months was added to ease the guideline problem).

Morse says the Board recommendation will be 3.4 to 3.5 per cent. Ginsburg and Neustadt say it will be more like 3.6 ~~or~~ to 3.7 per cent.

Ginsburg and Neustadt asked to breakfast with me privately this morning. Ginsburg sees the advantage of coming to the Ranch on Sunday as being one of putting immediate heat on the parties and trying to get the case settled without a last-minute White House negotiation over the July 4th weekend. On balance, Ginsburg thinks it is a close question, but would favor going to the Ranch. Neustadt is neutral on the issue and says it depends on whether you have other reasons for wanting to give Morse some publicity, such as the education bills or Viet Nam.

¶ I asked Ginsburg and Neustadt what could be done at the Ranch that could not be done Tuesday in Washington by calling the press into your office and giving the report a good send-off. I suggested that the report could be sent to you today and you could study it on Sunday and Monday and meet with the Board and Wirtz as your first appointment on Tuesday. They agreed that this would be satisfactory.

Wirtz does not believe there should be any trip to the Ranch and does not believe you should make any statement concerning the report. He says the Union will reject the report (all seem to agree with this) and the settlement could end up at 3.8 to 4.0 per cent. Wirtz fears that the press would characterize you as busting your own guidelines.

Ginsburg and Neustadt reported this morning that Wirtz, Reynolds and Howard Gamser of the Mediation Board look upon this negotiation, as well as the Labor Management Advisory Committee meeting yesterday, as a means of getting rid of the guideposts. Ginsburg and Neustadt said that the Labor people have become advocates of disposing of the guideposts both in this negotiation and in the Labor Management Advisory Committee and that we should be ~~beware~~ aware of this.

I have talked to Katzenbach, and he says that, under the law, the report can be delivered to you, but need not be given to the parties until you decide to do so. Therefore, legally, we could wait until Tuesday and you could be studying it tomorrow and Monday.

In addition to the factors I have mentioned, Morse told me that the parties have already asked him to stay on and mediate the dispute after the report is made public. The parties assume that the Union members will reject the report. Morse says he is more than willing to stay on and mediate it, thinks he is the one man who can solve it, but would do so only if Ginsburg and Neustadt continue to work with him. Both of them are willing to do that. Ginsburg and Neustadt have unyielding loyalty to you and would be your men in a situation where both parties and the Labor Department have vested interests.

At this point, I would recommend the following course of action:

1. No trip to the Ranch on Sunday.
2. An announcement by Bill Moyers tomorrow that you will be studying the report tomorrow and Monday in preparation for a meeting with the Board when you return to Washington.
3. Getting with the Mediation Board and Wirtz as your first appointment on Tuesday morning.

4. Calling the press in to give a little drama to your meeting with the Board.

This course of action gives us a chance to have you study the report, as well as Ackley, Wirtz and me, and to think through where we want to go during the next 30 days to avoid a crisis on your doorstep over the July 4th weekend.

Morse has asked me to call a meeting of himself, Ginsburg, Neustadt, Wirtz and Reynolds this afternoon, after they finsih the report. I intend to do so and send our joint recommendations at that time. However, unless you disagree with my recommendations above, I will try and steer the group into recommending ~~that~~ them to you. If you have any guidance for me before that meeting, it would be extremely helpful to hear from you. Morse talked to me for 30 minutes last night and very much wants to go to the Ranch Sunday.

EXECUTIVE
LA6/Airlines ②
FG11-8-1/Califano, Joe
PR11

June 8, 1966

10:30, Wednesday, June 8, 1966 -- Mr. Califano's Office

They are to enter and leave by the Southwest Gate only. Hold them in the West Basement until they are requested.

Representing Management

Charles Mason, Vice President, United Airlines

Robert Ebert, Vice President, Northwest Airlines

Ralph Skinner, Vice President, Eastern Airlines

John Mead, Vice President, Eastern Airlines

Jerome Rosenthal, Vice President, National Airlines

Woodrow Thomas, Vice President, Transworld Airlines

William Curtin, Attorney for the Airlines

Representing Labor

P. L. Siemiller, President, International Association of Machinists

Gordon Cole, International Association of Machinists

Frank Heisler, Attorney for the Union

Department of Labor

James Reynolds, Assistant Secretary of Labor

Howard Gamser, Member, National Mediation Board

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AIRLINES

WASHINGTON (AP)-PRESIDENT JOHNSON SAID TODAY THE RECOMMENDATIONS OF AN EMERGENCY BOARD PROVIDE THE FRAMEWORK FOR A JUST AND PROMPT SETTLEMENT OF DISPUTES BETWEEN THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND FIVE MAJOR AIRLINES.

JOHNSON SET UP THE BOARD APRIL 1 TO HEAD OFF A STRIKE AGAINST EASTERN, UNITED, TRANS WORLD, NATIONAL, AND NORTHWEST AIRLINES.

UNLESS THE BOARD'S RECOMMENDATIONS LEAD TO A SETTLEMENT OF THE DISPUTES, THE UNION WILL BE FREE TO CALL A STRIKE ON JULY 5.

JOHNSON SAID HUNDREDS OF THOUSANDS OF PEOPLE WILL BE WITHOUT AIR TRANSPORTATION AND THE DEFENSE PROGRAM HAMPERED IF THERE IS NO SETTLEMENT.

JOHNSON SAID THE BOARD'S RECOMMENDATIONS PROVIDE MANAGEMENT AND LABOR AN OPPORTUNITY TO SHOW WHAT CAN BE ACCOMPLISHED THROUGH MUTUAL TRUST.

HE SAID HE JUST CANNOT BELIEVE THAT EITHER LABOR OR MANAGEMENT WANTS A STRIKE.

THE MANY ISSUES IN DISPUTE INCLUDE WAGES AND PENSIONS.

WE606PED 6/7

UPI-172

(AIRLINES)

WASHINGTON--PRESIDENT JOHNSON URGED FIVE MAJOR AIRLINES AND THE MACHINISTS' UNION TODAY TO ACCEPT A PRESIDENTIAL BOARD'S PROPOSAL FOR RESOLVING A DISPUTE THAT OTHERWISE MIGHT CRIPPLE 60 PER CENT OF THE NATION'S AIR PASSENGER TRAFFIC IN A STRIKE AFTER JULY 5.

AFTER HE MET WITH THE THREE-MEMBER PANEL AND RECEIVED THEIR VOLUMINOUS FINDINGS ON THE COMPLICATED ISSUES--A REPORT THAT WILL BE MADE PUBLIC TOMORROW --JOHNSON APPEALED TO BOTH SIDES TO COME TO TERMS.

"THESE RECOMMENDATIONS FORM THE FRAMEWORK FOR A JUST AND PROMPT SETTLEMENT WHICH IS IN THE NATIONAL INTEREST," THE PRESIDENT SAID IN A STATEMENT HE READ TO NEWSMEN AT THE WHITE HOUSE.

THE AIRLINES INVOLVED IN THE CONTRACT DISPUTE WITH 34,000 MEMBERS OF THE INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS ARE EASTERN, NATIONAL, NORTHWESTER, TRANS WORLD AND UNITED.

THE PRESIDENT, IN A STATEMENT HE READ TO NEWSMEN WITH MEMBERS OF THE EMERGENCY BOARD PRESENT, SAID "THE DISPUTE...THREATENS TO CRIPPLE THE VITAL FLOW" OF AIR PASSENGER TRAFFIC TO THE EXTENT OF "SIX OUT OF TEN PASSENGER FLIGHTS."

THE EMERGENCY BOAFD, HEADED BY SEN. WAYNE MORSE, D-ORE., A VETERAN MEDIATOR OF LABOR DISPUTES, WAS APPOINTED BY JOHNSON APRIL 21 TO PROPOSE SOLUTIONS TO DISPUTES OVER ISSUES INCLUDING WAGES, VACATIONS, PENSIONS, HOLIDAYS AND WORK RULES.

THE PRESIDENT NAMED THE BOARD AFTER THE NATIONAL MEDIATION BOARD ADVISED HIM IT HAD FAILED TO ACHIEVE A SETTLEMENT THROUGH COLLECTIVE BARGAINING. THE STRIKE COULD BEGIN JULY 5 IF NO AGREEMENT UNDER PRESIDENTIAL AUSPICES IS REACHED BY THEN. THAT IS WHEN A 60-DAY STRIKE BAN, STARTING WITH THE BOARD'S FIRST HEARINGS, WOULD EXPIRE.

6/7--WM603PED

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MEMORANDUM

EXECUTIVE

LA6/Airlines

LA1-1/Airlines/Five Carriers

PU2-2 / Negotiating Committee

(3)

THE WHITE HOUSE

WASHINGTON

5:55 p.m., Friday
June 10, 1966

FOR THE PRESIDENT

FROM Joe Califano JAC Jr.

Jim Reynolds reports that the airlines representatives had called him and told him the following: they appreciate the interest of the President in the dispute, they particularly appreciate the fact that the President appointed such an objective and distinguished Board, and they are willing to accept the Board's report. However, they do not intend to make their views public because of the attitude of the Union.

The Union's views are best reflected in the attached New York Times story on Joe Ramsey's statement.

Wayne Morse is furious about Ramsey's statement and intends to make a lengthy speech on the Senate floor Monday praising you, the report, other other members of the Board and, in his words, "taking not only the pants but the underwear off of Ramsey." Morse told this to Reynolds today.

After talking to Wirtz, Reynolds called me and asked me to call Morse and try to cool him off. Wirtz feels that, if Morse excoriates the Union, Morse will be useless for the rest of the case. Wirtz would like to send a telegram to the Union inviting them in on Tuesday morning to resume negotiations. He believes that Morse can be useful once negotiations are resumed in bringing the Union around to something close to the Board's report.

Unless you have some objection, I think I should respond to Wirtz's request and call Morse in an attempt to calm him down so that he can be useful in the future. May I call Morse? Why not have Wirtz or Reynolds call Morse?

Yes________ No ✓

Attachment

Orig to Ferrito

THE NEW YORK TIMES, FRIDAY, JUNE 10, 1966.

Machinists Assail U.S. Panel Proposal In Airlines Dispute

Special to The New York Times

WASHINGTON, June 9—The International Association of Machinists, saying it was "more than disappointed" with a Presidential emergency board's recommendations for resolving a dispute with five airlines, today asserted the proposals "give no sound basis for settlement."

Joseph W. Ramsey, a union vice president, made the remarks in a statement issued in Chicago following a meeting of the union's wage policy committee. He urged the carriers to resume contract negotiations soon to reach an accord before a July 5 strike deadline.

The emergency board made public yesterday recommendations to President Johnson for settling the dispute between the union and Eastern, National, Northwest, Trans World and United Airlines. The contract would cover more than 35,000 mechanics and other ground service workers.

The board recommended that the airlines grant the union wage and benefit increases estimated at about 57 cents an hour over 42 months from last Jan. 1. That would amount to an average annual increase of about 3.5 per cent, or slightly more than the Johnson Administration's 3.2 per cent guidepost for noninflationary labor agreements.

Mr. Ramsey said today that the union was dissatisfied with the board's recommendations on wage rates, a cost-of-living escalator, and other economic items. He also said the board's recommendations on 40 local issues provided no basis for accord.

The union leader asserted that the board "was mistaken in their understanding of many of the issues" and based some conclusions on "19th century concepts rather than liberal 20th century thinking."

Industry sources have indicated the carriers, with some minor exceptions, might accept the report.