

Department of Defense

Fact Sheet on Airline Strike

(8 July 1966 to 25 July 1966)

I. Impact Statistics

	<u>Weekly Average</u> <u>Pre-Strike</u>	<u>Strike</u>	<u>Percent</u> <u>Difference</u>
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A. CONUS Outbound:

1. Passengers Moved

In Military Aircraft

1,544

748

48%

✓ In Commercial Aircraft

15,588

19,126

123%

2. Cargo (Short tons) Moved

In Military Aircraft

2,429

2,248

93%

✓ In Commercial Aircraft

1,687

2,293

136%

B. Domestic:

1. Passengers Moved

In Military Aircraft

(Project Combat Leave)

0

22,500

(Use of Mission Support Aircraft remains about pre-strike level additional to above)

By Commercial Charters

16,777

20,650

123%

2. Cargo (Short tons)

Commercial Contract

4,200

4,168

99%

II Impact Areas -

- A. Official travel within the United States has had to be deferred by 25% to 40%. Over a period of time deferral of executive travel will adversely affect management of Defense programs.
- B. Relatively small numbers of personnel moving from overseas areas have been delayed in their return due to lack of scheduled commercial service. Travel was ultimately accomplished by contract airlift.
- C. Military training programs requiring use of National Guard and Air Force Reserve Aircraft have had to be adjusted to accommodate the withdrawal of aircraft for Project Combat Leave. (30% to 35% of available flying hours diverted to Project Combat Leave)
- D. Use of alternative means of transport and escalated operation of military aircraft to move duty and leave passengers has increased DoD costs due to extensive use of higher cost aircraft and greater duration of travel periods.
- E. Service personnel traveling in a leave status have been seriously inconvenienced. Leave has had to be rescheduled or alternative and sometimes more costly means of travel have had to be employed. Dependent personnel traveling unaccompanied within the United States have also been affected to some degree.
- F. The DoD is unable to obtain required added CONUS contract cargo capability to augment its LOGAIR and QUICKTRANS systems, since a large portion of supplemental air carrier capacity is being employed to supplement regular airline service.
- G. Difficulty is being experienced by DoD contractors in moving personnel on a timely basis.
- H. There is a relatively high percentage of late arrivals of DoD personnel at aerial ports resulting from travelers' inability to obtain timely commercial airlift within CONUS.

THE WHITE HOUSE
WASHINGTON

L.A. Airlines

July 23, 1966
Saturday, 9:30 p.m.

FOR THE PRESIDENT

FROM Joe Califano *pcr*

After I completed the attached memorandum, I got in touch with Dave Ginsburg. He agrees with the 180-day no-strike period, but he did add an interesting twist. He would try somewhere (perhaps in a "whereas" clause) to get some Congressional sanction for or mention of the guidelines. At a minimum, he would have them mention in your message and in the Congressional reports, with approval. He and I think this should be regarded as the first step in an education campaign to develop public support for broader legislation of a tougher kind. Ginsburg just returned from an evening in Cambridge with Otto Eckstein, Carl Kaysen, Dick Neustadt and John Dunlop, all of whom believe that broad legislation will be needed in this area within the next year if we are to maintain economic stability.

If you approve, I would like to consult with some others on this, particularly Fortas, Clifford, and Neustadt.

Approve ☒Disapprove ☐

Attachment

Nothing else sent to
Central Files as of

4/7/67

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

July 23, 1966
Saturday, 8:30 p.m.

FOR THE PRESIDENT

FROM Joe Califano *Joe*

Wirtz, Katzenbach, Schultze and I discussed the airlines situation this afternoon.

At the present time, the airlines have privately indicated a willingness to go as high as \$85 million over a 42-month period, from the \$76 million proposal of the Morse Board. The union still insists on \$117 million. Wirtz thinks there is a possible settlement in the \$90 million area. This would be about a 5% pay raise per year, well over the 3.2% guideline.

Yesterday Morse introduced his proposal which, generally speaking, provides for placing the airlines in receivership with the Government operating them through the current management, but the profits going to the U.S. Treasury during this interim period. The receiver would be authorized to immediately begin paying the union members everything recommended by the Morse Board.

Yesterday Siemiller blasted the Morse resolution. Today Siemiller said the talks were fruitless, that his strikers were "so militant" they were sending telegrams saying "hold, hold, hold", and blasting Reynolds for "watching Batman on color TV". The airlines are violently opposed to the Morse proposal, to the point where they would almost surely settle at up to \$100 million (or more) to avoid going into receivership. Further, the airlines would definitely believe they had been doublecrossed by the Administration, which has been urging them to hold the line to avoid an inflationary settlement and with which they have been cooperating.

Wirtz believes that he can hold things together (or if it becomes desirable maneuver Siemiller into a walk-out that would further alienate the union in the eyes of the public). He is not trying to get a settlement, but merely trying to maintain the facade of negotiations. The union will not budge and Wirtz further stiffened the spine of the carriers this morning.

There are two questions facing us: (1) what proposal would be appropriate for the Congress to pass and (2) the extent, if any, to which you should become personally involved in Congressional activity.

There are 3 alternative proposals:

1. Morse Resolution. This provides, on court order, for seizure of airlines transportation facilities, with the parties enjoined from initiating or continuing any strike or lockout. The receiver is given discretionary power to put into effect the recommendations of the Emergency Board. During this period of receivership, profits would be impounded. The President would appoint a special "compensation board" to determine how much of the profits would be given back to the airlines, which the legislation implies would be less than 100%. The receivership would last for two years or until such time as the parties resolved the dispute among themselves. The President would also be directed to appoint a Special Airlines Dispute Board to make findings, conclusions, and recommendations with respect to the issues involved.

2. Compulsory Arbitration. This alternative is modeled after the Railway Dispute Act of 1963. Continuation of the strike would be prohibited. The National Mediation Board would submit to the union the employers' best offer for a vote. If rejected, the President would refer the issues to a seven-member Special Airlines Board (two members appointed by each party, three members elected by the others). Within 60 days after its establishment and in the absence of voluntary agreement among the parties, the Board would render a decision with respect to the issues involved. The decision would be binding for three years, during which no strike or lockout could take place.

3. Extension of the Railway Labor Act "no strike" period for 180 days. This would extend for 180 days the period provided for in Section 10 of the Railway Labor Act, during which no change may be made, except by mutual agreement, in wages or working conditions and during which no strike or lockout may occur. The President would appoint a Special Airlines Dispute Board which would only have mediation powers; it would not arbitrate or make recommendations.

At the end of the 180 days, if no agreement has been reached, the Board would make recommendations to the President and the President in turn would make recommendations to the Congress with respect to further needed action.

If any action is to be taken, Wirtz, Katzenbach, Schultze and I favor the third alternative, extending the Railway Labor Act "no strike" period for 180 days.

Wirtz believes this would go down more easily with Meany than compulsory arbitration. However, without any indication of our preference, Meany would prefer a seizure of the airlines under the Morse proposal.

The airlines would unquestionably prefer the 180-day extension to the Morse proposal, although they have confidentially indicated today to me that they liked the idea of compulsory arbitration.

Morse would unquestionably favor his own proposal (he has proposed seizure on a general basis in national health and safety cases in the past). He indicated to me on the phone this afternoon that he would be willing to do whatever you wished, including the 180-day extension. Wirtz claims (and I agree wholeheartedly) that the Morse proposal would result in virtually total capitulation by the airlines to union demands within a matter of hours.

The advantages of the 180-day extension are its simplicity, the fact that it does not put an inordinate amount of pressure on the airlines, and the fact that it eliminates the public inconvenience with the least impact on the collective bargaining process. It also means that freshmen Democrats do not have to vote for seizure or compulsory arbitration in an election year. If we go this route, the airline settlement would probably be pushed off into 1967, at which time the guidelines would certainly be higher than 3.2%. Finally, if there were no agreement at the end of 180 days, you would have a much better case to request either compulsory arbitration or seizure legislation later.

An essential ingredient in following this route is to get the message to C. R. Smith (American Airlines is negotiating with the transport workers union, not the machinists) that he must hold fast. To do this we should state clearly and unequivocally to Smith (if he needs it) that we will give him an emergency board when the contract runs out on July 27 (next Wednesday), that we will fold him into the same kind of 180-day legislation we are using for the other airlines, and that we would give him unshirted hell publicly if he made an inflationary settlement beyond the framework of the Morse Board's recommendations.

While we all recommend that alternative 3 is the best legislation in these circumstances, we are undecided as to the question of timing and the question of whether you should do this with great publicity and a special message, or try to get Morse involved by using this as a substitute. We lean toward a message, but after Monday.

If you decide to go this route, we believe it will be important for you to call Morse and Meany personally.

I am attaching a draft of the kind of legislation we mentioned in alternative 3.

Under the circumstances, I think you might want to have a message, as well as this legislation, ready for a Leadership meeting on Monday night. You could raise the 3 alternatives, the one which your advisers are recommending, and get their views and support. We already have a crude draft message which Bill Wirtz did this afternoon and could have a good draft by late tomorrow. Wirtz and Katzenbach will be at home Sunday; I will be at home or in the office; we are ready to discuss this with you at any time.

In the meantime, do you want us to go forward and prepare finished legislation of the 180-day type and a polished message?

Yes _____ No _____

Attachment

JOINT RESOLUTION

To provide for the settlement of the labor dispute currently existing between certain air carriers and certain of their employees.

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, Inc., National Airlines, Inc., Northwest Airlines, Inc., Trans World Airlines, Inc., and United Air Lines, Inc. and certain of their employees represented by the International Association of Machinists and Aerospace Workers, a labor organization, threatens essential transportation services of the Nation; that it is essential to the national interest, including the national health, safety and defense, that essential transportation services 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 No. 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 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. The period provided for in Section 10 of the Railway Labor Act, paragraph 3, during which 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, is hereby reinstated and extended, for one hundred and eighty days, effective immediately.

SEC. 3. The President shall, at the earliest possible date, appoint a Special Airline Dispute Board which shall engage in mediatory action directed to promoting agreement between the parties.

SEC. 4. If the agreement has not been reached within one hundred and fifty days, the Board shall make recommendations to the President, and the President shall advise the Congress, regarding procedures which will assure final settlement of this dispute without further interruption of the continuity of transportation services by these carriers.

SEC. 5. 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 SEC. 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,

SEC. 6. 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.

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

OFFICE OF
THE DIRECTOR

July 23, 1966

MEMORANDUM FOR MR. CALIFANO

Attached is a summary of the three
alternatives which you wanted.

Charlie
Charles L. Schultze
Director

Attachment

Three Alternative Proposals for Ending the Airline Strike

1. Morse Resolution

This provides, on court order, for seizure of the airlines transportation facilities. The parties would be enjoined from initiating or continuing any strike or lockout. The receiver is given power to put into effect the recommendations of the Emergency Board. (This is discretionary authority; he is not directed to do this.) During the period of receivership, profits would be impounded. The President would appoint a special "compensation board" to determine how much of the profits would be given back to the airlines. The standards laid down in the legislation for the determination of "just compensation" imply that the airlines would be significantly penalized -- i.e., they would probably get back much less than 100% of the profits.

The receivership would last for two years or until such time as the parties resolved the dispute among themselves.

The President would also be directed to appoint a Special Airlines Dispute Board with power to make findings, conclusions, and recommendations with respect to the issues involved.

2. Compulsory Arbitration

This alternative is modeled after the Railway Dispute Act of 1963.

Continuation of the strike would be prohibited. The National Mediation Board would submit to the union the employers' best offer for a vote. If this is rejected, the President would refer the issues to a Special Airlines Board. The Board would consist of

- . two members appointed by each party
- . three additional members elected by the others

The Board would, within 60 days after its establishment, and in the absence of voluntary agreement among the parties, render a decision with respect to the issues involved. The decision would be binding for three years. During such period no strike or lockout could take place.

3. Extension of the Railway Labor Act "no strike" period for 180 days.

This is a simple proposal. It would extend for 180 days the period provided for in Section 10 of the Railway Labor Act, during which no change may be made, except by agreement, in wages or working conditions and during which no strike or lockout may occur. The President would appoint a Special Airlines Dispute Board which would only have mediation powers -- it would not arbitrate or make recommendations.

At the end of the 180 days, if no agreement has been reached, the Board shall make recommendations to the President and the President in turn shall make recommendations to the Congress with respect to further needed action.

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

July 23, 1966

MEMORANDUM FOR THE PRESIDENT

Airline Case

I regret to report that settlement of the airlines case by collective bargaining and mediation has proved impossible so far, and that there is no reasonable prospect of settlement within the foreseeable future.

Your public statement of June 7 commended to the parties their settlement of this dispute within the framework of the recommendations of the Presidential Emergency Board.

The negotiations of the past six weeks have proceeded on this basis.

The airline companies have, during these negotiations, accepted the Board's recommendations on all issues, and have offered to make additional upward adjustments with respect to several key issues.

The union has rejected the companies' offers and has stated expressly its refusal to accept the idea of a settlement within the framework of the Presidential Emergency Board recommendations.

The over-all positions of the parties may be indicated in these terms:

- * The Board recommendation is for a 42 month contract with wage and fringe increases which would cost approximately \$76 million dollars during the contract period; and there is a provision for reopening the contract for further wage adjustments (by bargaining and arbitration) in the event the cost of living should rise at an increased rate.
- * The airline companies have made offers which would increase these 42-month costs by from three to five million dollars. These proposed adjustments are within the framework of the Board's recommendations.
- * The Union demands are for additional adjustments which would bring the new contract costs (on a 42-month basis) to approximately \$115 million, and also include a different cost-of-living escalation clause proposal which would increase the cost further. These proposed adjustments are clearly not within the framework of the Board's recommendations.

I recommend transmittal to the Congress immediately of a proposed Joint Resolution (Attachment A), accompanied by a brief Message (Attachment B).

W. Willard Wirtz
Secretary of Labor

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

July 23, 1966

EXHIBIT

LAB/Arbitration
FG-160

MEMORANDUM FOR THE PRESIDENT

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- * The airline companies have made offers which would increase these 42-month costs by from three to five million dollars. These proposed adjustments are within the framework of the Board's recommendations.
- * The Union demands are for additional adjustments which would bring the new contract costs (on a 42-month basis) to approximately \$115 million, and also include a different cost-of-living escalation clause proposal which would increase the cost further. These proposed adjustments are clearly not within the framework of the Board's recommendations.

- 2 -

I recommend transmittal to the Congress immediately of a proposed Joint Resolution (Attachment A), accompanied by a brief Message (Attachment B).

W. Willard Wirtz
Secretary of Labor

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

*Call w...
on Monday
Done 15/31 JAC*

May 21, 1966

MEMORANDUM TO JOSEPH CALIFANO

Subject: Status of Airlines Dispute - Emergency Board No. 166
(Senator Morse, Chairman)

The Board (appointed by the President on April 21, 1966) held its first hearing on May 5 and subsequently met on May 6, 13 and 17. The Board hopes to conclude the hearing phase next week - sessions will be held all week, if necessary, commencing Tuesday, May 24.

The union's position before the Board has been:

- Continued insistence on a settlement providing for wages and fringe benefit increases of 5% the first year, 4 percent the second, and 4 percent the third.
- Substantial increase in recent years in airline earnings and profits (and the continuing rise in the Consumer Price Index) justify the increase demanded. The Board recommendations should not be influenced by the "wage-price guideposts."

The companies maintain:

- The Board's recommendations be consistent with the guideposts.
- That recent favorable earnings and profits reflect a "catching up" from leaner years.
- That a sound financial reserve position is essential to provide capital for investment in the new generation of aircraft in the offing, e.g. "jumbos" and SSTs.

The Board members will attempt to mediate the dispute toward the end of the hearings (there has been no mediation to date).

If mediation efforts are not successful the Board will report to the President as promptly as possible.


James J. Reynolds

RECEIVED
MAR 27 1967
CENTRAL FILES

EXECUTIVE

LE/LA6/Airline
LA6/Airline

(2)

DAVID GINSBURG
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TELEPHONE
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783-5800
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"LEGIS"

July 24, 1966

Honorable Joseph Califano
The White House
Washington, D. C.

Dear Joe:

1. Here are copies of a clean draft of the bill and a proposed statement, plus copies of the original showing changes.

2. The last sentence of section 2 is new and designed to avoid any possible ambiguity: the men must go back to work.

3. Standards have been added (a) in section 1 (legislative preamble) "the public interest in economic stabilization" and (b) in section 4 (if Board mediation fails) "in the public interest". No new standards have been imposed on the Board for purpose of its mediatory action (Sec. 3). Mediation implies no external limitations; mediators simply try to persuade the parties to modify their own positions. The bill does not, therefore, (it can be argued) distort the mediation process. In fact, however, the Congress (if the preamble remains) will have made a finding that "it is desirable" to achieve a settlement which serves "the public interest in economic stabilization" as well as one which preserves the free collective bargaining method.

4. The bill could be strengthened by adding at the end of the first sentence of Section 3 the words "which serves the public interest in economic stabilization" or some such language. I'm afraid this would be strongly opposed and probably stricken. The argument would be that

RECEIVED
MAR 27 1967
CENTRAL FILES

Nothing else sent to
Central Files as of 4/27/67
WR

July 24, 1966

-2-

the Board's function is no longer mediation but something close to compulsory arbitration.

At this stage, therefore, I'm inclined to think that the references in sections 1 and 4 are sufficient. It is wholly appropriate, if collective bargaining breaks down, that the Board's recommendations (unlike its mediatory efforts) take account of the public interest (which is defined in Section 1 to be the public interest in economic stabilization).

5. Senator Morse, John Douglas, John Bruff (Counsel to the Senate Labor Subcommittee - Wayne arranged to have him work with us on the Emergency Board) and I meet for breakfast in a private room of the Senate dining room in the Capitol tomorrow morning at 8:00 o'clock. I'll call you immediately after the meeting.

6. Wayne clearly understands and accepts the limitations under which we are operating. He wishes, however, to be able to say -- at the very least -- that he has consulted the Attorney General who has advised him that the bill is lawful. I agree this would be helpful to him and believe it is sufficiently remote to be able to avoid the problem which concerned us. I have asked John Douglas to check with Nick and with you about this as soon as possible.

Kindest regards.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dave", enclosed within a large, stylized loop.

David Ginsburg

encls.

JOINT RESOLUTION

To provide for the settlement of the labor dispute currently existing between certain air carriers and certain of their employees.

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, Inc., National Airlines, Inc., Northwest Airlines, Inc., Trans World Airlines, Inc., and United Air Lines, Inc. and certain of their employees represented by the International Association of Machinists and Aerospace Workers, a labor organization, threatens essential transportation services of the Nation; that it is essential to the national interest, including the national health, safety and defense, that essential transportation services 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 No. 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 in 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. The period provided for in Section 10 of the Railway Labor Act, paragraph 3, during which 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, is hereby reinstated and extended, for one hundred and eighty days, effective immediately. During said period none of the parties to the controversy, or affiliates of said parties, shall engage in or continue any strike or lock out.

SEC. 3. The President shall, at the earliest possible date, appoint a Special Airline Dispute Board which shall engage in mediatory action directed to promoting agreement between the parties. Notwithstanding any other provision of law, each member of the board shall be compensated at a rate not in excess of \$100 for each day together with necessary travel and subsistence expenses.

SEC. 4. If the agreement has not been reached within one hundred and fifty days, the Board shall make recommendations to the President, and the President shall advise the Congress, regarding terms or procedures which will assure final settlement of this dispute in the public interest and without further interruption of the continuity of transportation services by these carriers.

SEC. 5. 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 SEC. 2 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.

SEC. 6. 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.

STATEMENT ON THE AIRLINE DISPUTE

The airlines dispute has become a triple threat to the economy.

Its direct costs are heavy.

It is weakening the vital institution of collective bargaining.

It is threatening the whole stabilization policy.

This has to stop.

There is a law -- the Railway Labor Act -- covering the handling of controversies in the airlines industry. The procedures established in this law have been exhausted.

There is an idea around that there are unwritten powers in the Presidency that could be exercised to resolve this dispute.

There are no such powers.

In the past it has been possible to find means of resolving such cases as the railroad case of 1964 and the steel case of 1965. But in those cases there was a disposition on both sides to reach an agreement consistent with the public interest. The union in this case states flatly that its own interests must take precedence.

It asserts the "militancy" of its members as a sufficient reason for the refusal to consider proposals dictated by the public interest.

One company after another and one union after another has agreed in the past to forego price or wage increases which it considered reasonable -- accepting instead the importance of the public interest in keeping the cost of living down.

This union rejects this balance of interests.

The plain fact is that this union's demands would, if met, lead to the certain spiralling of wages and prices in this country.

I believe too deeply in collective bargaining and in the importance of stabilization to see them sacrificed on this altar.

On Friday I proposed legislation providing for Government seizure of the airlines. Other proposals call for compulsory arbitration. Certainly the preferable course for any friend of labor is to get the planes flying but maintain the maximum opportunity for free collective bargaining.

I now propose a course of action which will guarantee immediate resumption of operations on these airlines, but

without provision for either seizure or compulsory arbitration.

This proposal calls for an immediate return to work while this dispute is worked out by further bargaining and mediation.

This proposal contemplates that mediators will, with the authority and responsibility conferred on them, be able to resolve this dispute. This authority and responsibility includes the obligation to report, if their efforts fail, whose fault such failure is.

If either party proves unwilling in these negotiations to accommodate its position to the broader interests which are involved -- including its own -- it will then be fairly viewed as inviting "compulsory" settlement in one form or another. The proposed Resolution contemplates this possibility, and provides for final determination -- but I am confident this will not be necessary.

It would be easier and simpler to prescribe a final and binding settlement procedure in this case now. The circumstances of the particular case warrant this. But the broader interests of the public, and the reactions

These people are considered to be
the greatest of our nation, and
the most important of our people. They are
the ones who have made our country
what it is today. They are the ones
who have made our country a better
place to live in. They are the ones
who have made our country a more
just and fair place to live in.

This union rejects this balance of interests.

The plain fact is that this union's demands would, if met, lead to the certain spiralling of wages and prices in this country.

I believe too deeply in collective bargaining and in the importance of stabilization to see them sacrificed on this altar.

There have been proposals to meet this situation by the adoption of legislation providing for Government seizure of the airlines or for compulsory arbitration.

I ^{now} propose to the Congress a course of action which will guarantee immediate resumption of operations on these airlines, but without provision for either seizure or compulsory arbitration.

This proposal calls for an immediate return to work while this dispute is worked out by further bargaining and mediation.

This proposal contemplates that ~~the~~ mediators will, with the authority and responsibility conferred on them, be able to resolve this dispute. This authority and responsibility includes the obligation to report, if their efforts fail, whose fault such failure is.

If either party proves unwilling in these negotiations to accommodate its position to the broader interests -- including its own -- which are involved, it will then be fairly viewed as inviting "compulsory" settlement in one form or another. The proposed Resolution contemplates this possibility, and provides for final determination -- but I am confident this will not be necessary.

On Friday I proposed legislation providing for Government seizure of the airlines. Other proposals call for compulsory arbitration. Certainly the preferred course for any freight labor is to get the planes flying but maintain the maximum opportunity for free collective bargaining...

Statement on the Airlines Dispute

Airlines Dispute

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This has to stop.

There is a law -- the Railway Labor Act -- covering the handling of controversies in the airlines industry. The procedures established in this law have been exhausted.

There is an idea around that there are unwritten powers in the Presidency that could be exercised to resolve this dispute.

There are no such powers.

It has been possible in the past to find means of resolving such cases as the railroad case of 1964 and the steel case of 1965. ^{But} in those cases there was ^a the disposition on both sides to reach an agreement consistent with the ^{public} national interest. The union in this case states flatly that its own interests must take precedence. It asserts the "militancy" of its members as a sufficient reason for the refusal to consider proposals dictated by the public interest.

One company after another and one union after another has agreed in the past to forego price or wage increases which it considered reasonable -- accepting instead the importance of the public interest in keeping the cost of living down.

the reactions

to the suggestion
of Government seizure,

- 3 -

It would be easier and simpler to prescribe a final and binding settlement procedure in this case now. The circumstances of the particular case warrant this. But the broader interests of the public, and of labor and of management warrant giving voluntary settlement processes another chance.

In the meantime, however, the public is entitled to its air transport continued.

~~I urge immediate adoption of this Joint Resolution.~~



89th Congress
2d Session

COPY

S. J. RES. 186

IN THE SENATE OF THE UNITED STATES

Mr. MORSE (for himself
introduced the following amendment to S. J. Res. 186

August 2, 1966

A M E N D M E N T

(In the nature of a substitute to S. J. Res. 186)

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

On page 1, line 1, strike out all after the resolution clause and insert the following:

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 Airlines, 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

RECEIVED
MAR 27 1967
CENTRAL FILES

COPY

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 180 days effective immediately 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 said period of time none of the parties to the controversy, or affiliates of said parties shall engage in or continue any strike or lockout.

SEC. 3. The President shall appoint a Special Airline Dispute Board which shall consider the background and circumstances of this dispute and endeavor to promote agreement between the parties. Any such agreement shall provide that the wage settlement provisions be retroactive to January 1, 1966. Notwithstanding any other provision of law, each member of the Board shall be compensated at a rate prescribed by the President for each day together with necessary travel and subsistence expenses.

SEC. 4. The Board shall report to the President upon his request; if an agreement has not been reached thirty days prior to the expiration of a period of time specified in Section 2, the Board shall make a final report with recommendations to the President which shall be transmitted to Congress by the President, along with a full and complete report of the dispute and his recommendations regarding terms or procedures which will result in the final settlement of this dispute in the public interest and without further interruption of the continuity of transportation services of 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 section 2 of the joint resolution. Whenever it shall appear to the court before which a 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 shall issue an executive order reciting such findings; whereupon the provisions of section 2, 3, 4 and 5 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. 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.

35
OK
THE WHITE HOUSE
WASHINGTON

EXECUTIVE

Lab/Airline

FG-11-6

July 25, 1966

5:30 p.m. Monday

MEMORANDUM FOR THE PRESIDENT

Governor Bryant, before he went away today, left this memorandum recommending a method whereby the President could establish an emergency Labor Board to handle the airlines strike.

I have given a carbon to Joe Califano.

K
Robert E. Kintner

CC: Joe Califano

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF EMERGENCY PLANNING
WASHINGTON, D.C. 20504

July 25, 1966

MEMORANDUM FOR ROBERT E. KINTNER

RE: The current airplane strike.

The purpose of this memorandum is to suggest a possible way to settle the current airplane strike.

In connection with the OEP planning for limited war, we have prepared draft legislation for the settlement of labor disputes which may lead to substantial interference with activities essential to the national defense. The draft legislation would authorize the President to establish an Emergency Labor Board composed of 12 members - 4 representatives of labor, 4 management, and 4 general public. The Chairman would be a public member designated by the President.

The Board would hold such hearings as it deems proper, and would determine (by order) the wages, hours, and all terms and conditions customarily included in collective bargaining agreements. The Board would also have authority to petition the U. S. Circuit Court of Appeals, in any circuit where a non-complying party resides or does business, to enforce its orders. The order of the Board would be conclusive and final, if reasonable and supported by substantial evidence.

The above described procedure is, in effect, compulsory arbitration. Since we would be (1) dealing with common carriers and (2) taking action in time of war, it is my opinion that such a statute would be constitutional as applied to the current strike.

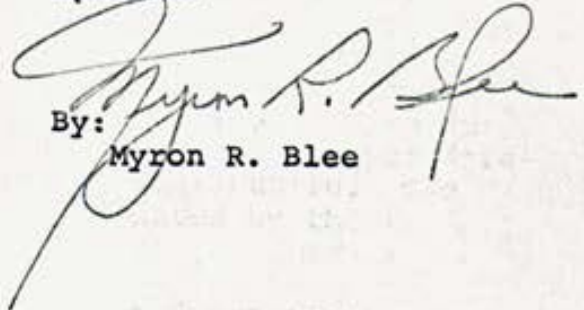
The next point is procedural. If the President feels that, based upon all of the facts and circumstances, compulsory arbitration would be the best alternative, and if our Congressional liaison indicates that the Congress would pass such legislation at this time, then I would recommend that before legislation is sent to Congress the President

should establish the Board by Executive order and direct that it proceed accordingly. Thereafter, the legislation sent to Congress should contain a retroactive clause to cover any action taken by the President.

Farris Bryant
Director

By:

Myron R. Blee

A handwritten signature in dark ink, appearing to read "Myron R. Blee", is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

me/

EXHIBITIVE ①
LAG/Airlines
FG 11-6

July 23, 1966
Saturday, July 23, 1966
July 25, 1966

MEMO FOR John Douglas
FROM Joe Califano

Would you give me a call when you
receive this? Robert E. Kinney

Attachment
Memo to President
from Farris Bryant
re Airline Strike

That draft Executive order would have directed the Secretary
of Commerce, with the concurrence of the Director of
Office of Emergency Planning, to determine the port-
portionment and allocation of available aircraft and
capacity. The Secretary of Commerce would have prepared
the organization, procedures, and direction, subject to
the general policy guidance of the Director of Civil Air
use of transportation facilities.

If there had been a strike and if the Executive order
had been issued, the order would have remained in effect
until the resumption of rail service and would have
but in no event would there be any effect on the
the railroad strike

I call upon states and cities to...
I call upon states and cities to...
I call upon states and cities to...
I call upon states and cities to...
I call upon states and cities to...

Noting also sent to
On 5/16/67

9

THE WHITE HOUSE
WASHINGTON

July 23, 1966
Saturday - 10:45 a.m.

MR. PRESIDENT

For your information.


Robert E. Kintner



THE WHITE HOUSE
WASHINGTON

July 23, 1966
Saturday - 10:45 a.m.

FOR JOE CALIFANO

For your information, the original
has been sent to the President.

A handwritten signature, likely of Robert E. Kintner, consisting of a stylized capital 'K' with a diagonal stroke.

Robert E. Kintner

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF EMERGENCY PLANNING
WASHINGTON, D.C. 20504

JUL 22 1966

*Mr. President
for your information
Bob Kintner
7/23/66.*

MEMORANDUM FOR ROBERT E. KINTNER

RE: The Current Airplane Strike

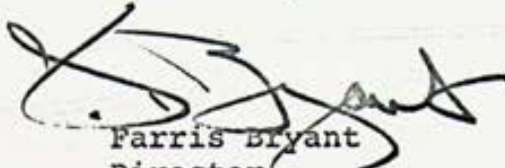
The Defense Production Act of 1950 contains a provision which can be used by the President in connection with the current airplane strike - at such time as it may become necessary to have priorities in transportation and delivery of such persons and things as may be needed to promote the national defense. It covers the accomplishment of military requirements, governmental functions, defense production, and measures essential to the public health and safety.

During the threatened railroad strike of April, 1964, the Office of Emergency Planning drafted an Executive order under the above authority and had it ready. The strike was settled, and the order was unnecessary.

That draft Executive order would have directed the Secretary of Commerce, with the concurrence of the Director of the Office of Emergency Planning, to determine the proper apportionment and allocation of available transportation capacity. The Secretary of Commerce would have provided the organization, procedures, and direction, subject to the general policy guidance of the Director of OEP, for the use of transportation priorities.

If there had been a strike and if the President issued the Executive order, the order would have remained effective until the resumption of rail service made it unnecessary but in no event more than 15 days after the termination of the railroad strike.

I call this statute and draft Executive order to your attention just in case it may eventually become a necessary authority and procedure to invoke in the current airplane strike. Such an Executive order can serve to relieve in some measure the direct and indirect impact on the national defense.


Farris Bryant
Director

JUL 22 1966

MEMORANDUM FOR ROBERT E. KINTNER

RE: The Current Airplane Strike

The Defense Production Act of 1950 contains a provision which can be used by the President in connection with the current airplane strike - at such time as it may become necessary to have priorities in transportation and delivery of such persons and things as may be needed to promote the national defense. It covers the accomplishment of military requirements, governmental functions, defense production, and measures essential to the public health and safety.

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If there had been a strike and if the President issued the Executive order, the order would have remained effective until the resumption of rail service made it unnecessary but in no event more than 15 days after the termination of the railroad strike.

I call this statute and draft Executive order to your attention just in case it may eventually become a necessary authority and procedure to invoke in the current airplane strike. Such an Executive order can serve to relieve in some measure the direct and indirect impact on the national defense.

Farris Bryant
Director

Joe Califano
file - the original
was sent to the
President.
Bob Kintner
7/23/66

190/dg

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EXECUTIVE
LAB/Airline
FG 11-3

July 25, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Impact of the Airline Strike

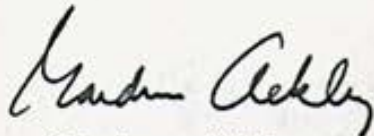
1. The airline strike is having a broad impact
 - on the comfort and convenience of millions of Americans,
 - on the efficiency and productivity of hundreds of thousands of business travelers, and
 - on the very livelihoods of tens of thousands of innocent bystanders.
2. The line between a national nuisance and a threat to the public interest is not easy to draw. But there is ample evidence to conclude that further prolongation of the strike would threaten the public interest.
3. The number of passengers a day grounded by the strike is 150,000.
 - . One-third of this is personal travel. Most of this is a matter of comfort and convenience, but our citizens work hard for and deserve such amenities as vacations. Certainly, thousands of lost trips are a matter of hardship, ranging from the soldier's delay in returning home on furlough to the loss of an opportunity to visit an ailing relative.
 - . Two-thirds of the trips are business travel for such purposes as selling goods, buying material, exchanging information, bringing in consultants, etc. There is no way to estimate how the loss (or circuitous pursuit) of these contacts crimps our business efficiency. But the costs must be substantial.
4. Nonstriking workers on the 5 tied-up airlines represent the largest group of innocent bystanders who are being thrown out of work by the strike. As of 10 days ago, some 25,000 nonstriking airline employees had already been laid off without pay. By now, the number probably exceeds the 35,400 total of actual strikers.

10:25 a.m., Tuesday
July 26, 1966

FOR THE PRESIDENT

FROM Joe Califano

5. Other large groups are losing their paychecks in the tourist, hotel, and travel industries.
 - . Senator Holland estimates that Dade County, Florida, alone is losing \$18-\$20 million of revenues each week. Lay-offs are rising.
 - . Senator Fong estimates Hawaii's weekly loss as \$4-1/2 million with a "rising financial plight of people and businesses."
 - . Travel agents report declines of 30% to 50% in their activity.
6. Many small businesses are being hurt in industries which rely on the airlines to carry perishable freight. Flowers, lobsters, and fruit and vegetable shipments are being most severely curtailed. Delay in shipment of repair parts and laboratory animals are handicapping production and services. Tie-up of checks in clearance distorts the effectiveness of the monetary system.


Gardner Ackley

MEMORANDUM

THE WHITE HOUSE
WASHINGTON2:30 pm. Monday
July 25, 1966

EXECUTIVE

LA6/Airlines

LE/LA6/Airlines

FOR THE PRESIDENT

FROM Joe Califano

Attached is a copy of Wayne Morse's statement and the Joint Resolution he introduced today. It provides for a 180-day extension of the no strike period under the Railway Labor Act, directs the President to appoint a mediation (not arbitration) board, requires that any wage (as distinguished from fringe benefits) settlement be retroactive to January 1, 1966, and reflects a Congressional interest in achieving "a settlement . . . which serves the public interest in economic stabilization and which preserves the free collective bargaining method."

Dirksen has introduced a compulsory arbitration resolution.

The Senate Labor Committee meets at 2:00 this afternoon to discuss the present Morse proposal, his earlier receivership proposal and the Dirksen proposal. According to Morse, Mansfield believes there will be passage of something in the Senate this week.

The negotiations between the machinists and the 5 carriers have been suspended, with both parties on 30 minutes call. Siemiller has called off the picketing, but warned in a statement that he may not be able to prevent machinists going to Capitol Hill to picket the Congress.

Charlie Murphy and Wirtz have further stiffened the spine of the carriers, including American Airlines.

The American Airlines/Transport Workers Union (TWU) contract expires on July 27. Wirtz is getting the papers prepared for an emergency board, if such action becomes necessary. Wirtz and I are thinking about possible members of such a board, including the same membership as the Morse board.

Victor Riesel wanted me to pass along to you his views that Horst and McMann of the TWU are very much activists and that McMann is an ex-Communist party member, who has retained his belief in vigorous activity.

Riesel also said that he thinks you should stay away from any of the legislative activity on the Hill and that the entire labor movement, including people like the steel workers and the AFL-CIO are just furious with Wayne Morse.

Attach.

as the railroad case of 1964 and the steel case of 1965. But in those cases

Senator Wayne Morse, Democrat, Oregon, issued the following statement this morning:

"At the opening of the session of the Senate today, I shall introduce a substitute Joint Resolution for the one that I introduced last Friday, setting forth an alternative proposal for a settlement of the pending airline dispute through legislative action.

"Over the weekend, I have participated in conversations and consultations which satisfy me that at this time my new Resolution for the settlement of this particular case is preferable to the one I introduced Friday. The provisions of my Resolution of last Friday, along with similar proposals from other members of Congress, should be considered for purposes of new permanent legislation for the handling of national emergency disputes; these call for more detailed and lengthy hearings by appropriate Committees of Congress than time permits. The national interest requires an end to the present strike without further delay.

"The airlines dispute has become a triple threat to the economy.

"Its direct costs are heavy.

"It is weakening the vital institution of collective bargaining.

"It is threatening the whole stabilization policy.

"This has to stop.

"It is endangering the health, safety and defense of the Republic. It is endangering the national interest.

"There is a law -- the Railway Labor Act -- covering the handling of controversies in the airlines industry. The procedures established in this law have been exhausted.

"There is an idea around that there are unwritten powers in the Presidency that could be exercised to resolve this dispute.

"There are no such powers.

"In the past it has been possible to find means of resolving such cases as the railroad case of 1964 and the steel case of 1965. But in those cases

there was a disposition on both sides to reach an agreement consistent with the public interest. The union in this case states flatly that its own interests must take precedence. It asserts the 'militancy' of its members as a sufficient reason for the refusal to consider proposals dictated by the public interest.

"One company after another and one union after another have agreed in the past to forego price or wage increases which it considered reasonable -- accepting instead the importance of the public interest in keeping the cost of living down.

"This union rejects this balance of interests.

"The plain fact is that this union's demands would, if met, lead to the certain spiralling of wages and prices in this country.

"I believe too deeply in collective bargaining and in the importance of stabilization to see them sacrificed on this altar.

"On Friday I proposed legislation providing for Government seizure of the airlines. Other proposals call for compulsory arbitration. Certainly the preferable course for any friend of labor is to get the planes flying but maintain the maximum opportunity for free collective bargaining.

"I now propose a course of action which will guarantee immediate resumption of operations on these airlines, but without provision for either seizure or compulsory arbitration.

"This proposal calls for an immediate return to work while this dispute is worked out by further bargaining and mediation.

"We should continue to apply to this dispute the precious principle of voluntarism through collective bargaining and mediation. The union and the carriers all recognize it is in the long term best interests of labor and management that labor disputes be settled not by governmental mandate but by reliance on traditional rights. But when labor or management in a regulated industry such as this one subordinate the paramount public interest to the selfish economic interests of either party, the Government of a free people has the clear duty to pass mandatory legislation. I am convinced that such a legislative procedure will

have the overwhelming support of a majority of the American people.

"This proposal which I am presenting today will continue to focus attention on the dispute so that the mediators, with the authority and responsibility conferred on them, and the good faith cooperation of the parties, should be able to resolve it. It will enjoin the parties to reach a settlement through free collective bargaining.

"This proposal contemplates that mediators will, with the authority and responsibility conferred on them, be able to resolve this dispute. This authority and responsibility includes the obligation to report, if their efforts fail, whose fault such failure is.

"If either party proves unwilling in these negotiations to accommodate its position to the broader interests which are involved -- including its own -- it will then be fairly viewed as inviting 'compulsory' settlement in one form or another. The proposed Resolution contemplates this possibility, and provides for final determination -- but I am confident this will not be necessary.

"It would be easier and simpler to prescribe a final and binding settlement procedure in this case now. The circumstances of the particular case warrant this. But the broader interests of the public, and the reactions of labor and of management to the suggestion of Government seizure, warrant giving voluntary settlement processes another chance.

"In the meantime, however, the public is entitled to have its air transport continued.

"It is the clear duty of the men to go back to work at once. The national interest, the national health, safety and defense, and their own civic duty require it. The interests of the men will be fully protected since the Resolution explicitly provides that the wage settlement provisions of any agreement shall be retroactive to the date of expiration of the last wage contract, January 1, 1966."

#####

The following is the text of the airlines dispute resolution introduced today by Senator Wayne Morse:

JOINT RESOLUTION

To provide the settlement of the labor dispute currently existing between certain air carriers and certain of their employees.

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, Inc., National Airlines, Inc., Northwest Airlines, Inc., Trans World Airlines, Inc., and United Air Lines, Inc. and certain of their employees represented by the International Association of Machinists and Aerospace Workers, a labor organization, threatens essential transportation services of the Nation; that it is essential to the national interest, including the national health, safety and defense, that essential transportation services 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 No. 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 in 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. The period of time provided for in Section 10 of the Railway Labor Act, paragraph 3, during which 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, is hereby reinstated and extended, for one hundred and eighty days, effective immediately. During said period of time none of the parties to the controversy, or affiliates of said parties shall engage in or continue any strike or lock out.

SEC. 3. The President shall, at the earliest possible date, appoint a Special Airline Dispute Board which shall engage in mediatory action directed to promoting agreement between the parties. Any such agreement shall provide that the wage settlement provisions be retroactive to January 1, 1966. Notwithstanding any other provision of law, each member of the board shall be compensated at a rate prescribed by the President for each day together with necessary travel and subsistence expenses.

SEC. 4. If the agreement has not been reached within one hundred and fifty days, the Board shall make recommendations to the President, and the President shall advise the Congress, regarding terms or procedures which will assure 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 SEC. 2 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 any provision of this Joint Resolution or the application thereof is held invalid, the remainder of this Joint Resolution shall not be affected thereby.

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE

26 July 1966

MEMORANDUM FOR MR. CALIFANO

Attached transmitted at direction
of Mr. Vance.

R. C. Moot

R. C. MOOT

LA 6/airlines

Department of Defense

Fact Sheet on Airline Strike

(8 July 1966 to 25 July 1966)

I. Impact Statistics

	<u>Weekly Average</u> <u>Pre-Strike</u>	<u>Strike</u>	<u>Percent</u> <u>Difference</u>
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A. CONUS Outbound:

1. Passengers Moved

In Military Aircraft	1,544	748	48%
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In Commercial Aircraft	15,588	19,126	123%
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2. Cargo (Short tons) Moved

In Military Aircraft	2,429	2,248	93%
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In Commercial Aircraft	1,687	2,293	136%
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B. Domestic:

1. Passengers Moved

In Military Aircraft (Project Combat Leave)	0	22,500	
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(Use of Mission Support Aircraft remains about pre-strike level additional to above)

By Commercial Charters	16,777	20,650	123%
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2. Cargo (Short tons)

Commercial Contract	4,200	4,168	99%
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II Impact Areas -

- A. Official travel within the United States has had to be deferred by 25% to 40%. Over a period of time deferral of executive travel will adversely affect management of Defense programs.
- B. Relatively small numbers of personnel moving from overseas areas have been delayed in their return due to lack of scheduled commercial service. Travel was ultimately accomplished by contract airlift.
- C. Military training programs requiring use of National Guard and Air Force Reserve Aircraft have had to be adjusted to accommodate the withdrawal of aircraft for Project Combat Leave. (30% to 35% of available flying hours diverted to Project Combat Leave)
- D. Use of alternative means of transport and escalated operation of military aircraft to move duty and leave passengers has increased DoD costs due to extensive use of higher cost aircraft and greater duration of travel periods.
- E. Service personnel traveling in a leave status have been seriously inconvenienced. Leave has had to be rescheduled or alternative and sometimes more costly means of travel have had to be employed. Dependent personnel traveling unaccompanied within the United States have also been affected to some degree.
- F. The DoD is unable to obtain required added CONUS contract cargo capability to augment its LOGAIR and QUICKTRANS systems, since a large portion of supplemental air carrier capacity is being employed to supplement regular airline service.
- G. Difficulty is being experienced by DoD contractors in moving personnel on a timely basis.
- H. There is a relatively high percentage of late arrivals of DoD personnel at aerial ports resulting from travelers' inability to obtain timely commercial airlift within CONUS.

EF/GR

EXECUTIVE

FG11-8-1/Califano, Joe

THE WHITE HOUSE

LAG/Airline

WASHINGTON

July 26, 1966

Mr. President:

Today marks the first anniversary of my appointment as one of your Special Assistants.

Trudy and I wanted you to know what a great privilege it has been to work for you, not only as the President of our country, but also as a man.

THE WHITE HOUSE

WASHINGTON

From the first time we went to the Ranch - where Mrs. Johnson (as always) was so natural and so wonderful in putting us at ease - to the incredibly difficult airline strike in which we are now involved, this has been the most wonderful experience of our lives.

He never thought that a boy from the Bedford -

THE WHITE HOUSE
WASHINGTON

Stuvesant section of Brooklyn
would work for a President
(even after Harvard Law School)!

Mr. President, I hope
I have helped ease some of
your unbelievable burdens
and I hope I can continue
to help you. For you are
doing great things for this
world and I am proud
to be a part of them.

Faithfully,
Joe Califano.

info/dg

EXECUTIVE
FG 431/24
FG 155
LA 6/Airline

STATEMENT OF JOHN T. CONNOR, SECRETARY OF COMMERCE,
BEFORE THE SENATE COMMITTEE ON LABOR AND PUBLIC
WELFARE ON S. J. RES. 181, JULY 26, 1966

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to appear today. I understand that you wish me to comment on the issue of whether an emergency exists as set forth in S. J. Res. 181 and related bills.

Section 1(a) of this resolution provides that "the Congress does hereby find and declare that a labor dispute between Eastern Airlines, Inc., National Airlines, Inc., Northwest Airlines, Inc., Trans World Airlines, Inc., and United Air Lines, Inc. and certain of their employees represented by the International Association of Machinists and Aerospace Workers, a labor organization, threatens essential transportation services of the Nation; that it is essential to the national interest, including the national health, safety and defense, that essential transportation services 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 No. 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 in economic stabilization and which preserves the free collective bargaining method."

RECEIVED
MAR 27 1967
CENTRAL FILES

On the basis of the evidence available to us the Department of Commerce does not conclude that an emergency of the type indicated in section 1(a) exists at this time. The provisions of Section 1(a) are broader than the provisions of the Railway Labor Act relating to the establishment of Emergency Boards. Under the latter the dispute must be one which in the judgment of the Mediation Board threatens substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service. However, we are seriously concerned with the potential economic effects of this strike. We are concerned not only with the impact of the strike upon the transportation system but with its effect upon the economy at large and upon our balance of payments. I would like to discuss these three aspects of the situation. First as to its effect on the transportation system

DRAFT
7/25/66

The air transportation system in the United States consists of 11 trunk carriers and 13 local service carriers. In addition, there are 13 supplemental carriers and a fleet of more than 90,000 general aviation aircraft and a fleet of 3 all-cargo carriers. The five struck airlines, Eastern, National, Northwest, TWA and United, normally account for approximately 60% of the scheduled trunk carrier passenger service and approximately 57% of the air cargo.

From the standpoint of the Nation's total transportation system, air transportation accounts for approximately 6% of the total intercity passenger miles and approximately one-tenth of one per cent of total freight movements.

While it is clear that the five airlines involved in the strike account for a substantial portion of the airline traffic in the United States in terms of passengers, cargo and mail, it is also important to note that even with the strike very few communities which normally have scheduled air service have been completely cut off from air transportation. Only five of the 100 top city pairs in terms of traffic generation are without direct one carrier service as a result of the strike.

At the time the strike began the trunk carriers as a group were experiencing *and local service carriers had 45-50 %* load factors ranging generally from approximately 50-60% systemwide. This meant that there was at least some measure of excess capacity available in the system, *even without adding frequencies:*

In an effort to alleviate the pressure caused by the strike, the CAB has issued a number of orders authorizing an emergency type action by the non-struck trunk carriers, the local service carriers and the supplementals.

carriers and a fleet of more than 90,000, and

fleet of 3 all-cargo carriers. The five struck airlines, Eastern, National,

Northwest, TWA and United, normally account for approximately 60% of the

These orders have facilitated additional scheduling and types of service not normally provided by these carriers in order to make air transportation more readily available to the traveling and shipping public. In addition, I am informed that the Department of Defense has taken steps to provide air transportation for some of its essential operations. Furthermore, even on the struck airlines, the unions have recognized the importance of our military effort and have ensured a continual flow of essential DOD traffic. ^PAs of today, there are approximately 66,200 airline employees out of work because of the strike. Of this number, approximately 35,000 are members of the striking union. The total estimated daily wage loss for airline employees is \$1.6 million.

It has been estimated that approximately 150,000 domestic passengers daily would have flown on flights scheduled by the five struck airlines were operations continued on a normal basis. There is no data available which gives us an account of how many would be air travelers are unable to find accommodations to accomplish their travel by air. We know that the non-struck airlines have added extra schedules and that both the trunk carriers and the local service carriers are experiencing higher load factors. This means that a number of *Because of limitations on the number of hours per month crew can fly* potential passengers are being accommodated. ^AWe have good reason to believe that there has been a decrease in the demand for air transportation as a result of changes in travel plans. This would include the use of alternative means of transportation such as bus, train, private or rental car and the cancellation of travel plans altogether.

The best evidence available to us indicates that mail is moving by air though some delay is being experienced. It is our understanding that the carriers are accepting all mail which is being offered them for transportation by air.

It may not be possible to maintain operations at their present expanded level during the last few days of a month. This will be more of a problem for the trunks than for the locals.

It is further our understanding that essential cargo is moving by air though, again, some delay is being experienced. There is less accumulation of cargo at the docks than the airlines had anticipated but it is clear that some shippers have rearranged their schedules for movement of cargo because of an awareness of the strike.

Second, as to the general economic effect of the strike, certain basic facts about the airline industry must be borne in mind. As pointed out above, airlines are responsible for about six percent of the passenger inter-city transportation in the nation and about one-tenth of one percent of freight inter-city transportation in the nation. The struck airlines normally carry approximately sixty percent of the passenger and cargo traffic. In a strike of short duration not involving all domestic airlines, it is clear that the remaining non-struck lines and other modes of transportation can pick up a substantial portion of the passenger and cargo traffic which would be carried by the struck airlines. This offsetting factor, however, can be expected to decrease over a protracted period for reasons of safety, efficiency and profitability.

These considerations have been recognized in long standing rules of Government transportation agencies and management-union contracts.

Leaving aside the impairment of efficiency of a protracted period, we calculate that at the present rate the struck airlines are incurring a passenger and cargo revenue loss at about \$7 million per day. Taking into account the offset revenue gains by the non-struck lines, the railroads and the bus lines, we estimate that the gross loss of \$7 million a day is reduced to a net revenue loss of \$1 million a day.

As to the effect of the strike on the economy, it is

clear that airlines are responsible for about

six percent of passenger inter-city transportation in the nation and about

one-tenth of one percent of freight inter-city transportation in the

nation. Airlines normally carry approximately sixty percent of the

It is even more difficult to measure the estimated secondary impact of the strike — that is, the effect on industries dependent on airlines for service. However, so long as businessmen are able to travel by any mode and to transact their normal business, the secondary impacts are lessened. We estimate that these secondary impacts are probably about the same magnitude as the above mentioned direct impact. These calculations as to indirect impact do not take into account the inconvenience to the traveling public.

We estimate that the effect on the balance of payments is in the order of magnitude of about \$1 million net loss per week.

In summary we are seriously concerned with the potential economic effects of this strike and are therefore making every effort to find an acceptable means of settling it.

the health, safety, and defense of the Republic. It is endangering the national interest.

There is a law—the Railway Labor Act—covering the handling of controversies in the airlines industry. The procedures established in this law have been exhausted.

There is an idea around that there are unwritten powers in the Presidency that could be exercised to resolve this dispute.

There are no such powers.

In the past it has been possible to find means of resolving such cases as the railroad case of 1964 and the steel case of 1965. But in those cases there was a disposition on both sides to reach an agreement consistent with the public interest. The union in this case states flatly that its own interests must take precedence. It asserts the "militancy" of its members as a sufficient reason for the refusal to consider proposals dictated by the public interest.

One company after another and one union after another has agreed in the past to forgo price or wage increases which it considered reasonable—accepting instead the importance of the public interest in keeping the cost of living down.

This union rejects this balance of interests.

The plain fact is that this union's demands would, if met, lead to the certain spiraling of wages and prices in this country.

I believe too deeply in collective bargaining and in the importance of stabilization to see them sacrificed on this altar.

On Friday I proposed legislation providing for Government seizure of the airlines. Other proposals call for compulsory arbitration. Certainly, the preferable course for any friend of labor is to get the planes flying but maintain the maximum opportunity for free collective bargaining.

I now propose a course of action which will guarantee immediate resumption of operations on these airlines, but without provision for either seizure or compulsory arbitration.

My proposal of last Friday was a two-edged sword—I believe a very fair sword—to apply, but it would involve long hearings, in my judgment, which time does not permit, and ought to be considered in connection with permanent legislation.

This proposal calls for an immediate return to work while the dispute is worked out by further bargaining and mediation.

We should continue to apply to this dispute the precious principle of voluntarism through collective bargaining and mediation. The union and the carriers all recognize it is in the long-term best interests of labor and management that labor disputes be settled not by governmental mandate but by reliance on traditional methods. But even when an agreement in a regulated industry such as this one subordinate the paramount public interest to the selfish economic interests of either party, the Government of a free people has the clear duty to pass emergency legislation. I am convinced

that such a legislative procedure would have the overwhelming support of a majority of the American people.

The proposal which I am presenting today would continue to focus attention on the dispute so that the mediators, with the authority and responsibility conferred on them, and the good faith cooperation of the parties, should be able to resolve it. It would enjoin the parties to reach a settlement through free collective bargaining.

The proposal contemplates that mediators will, with the authority and responsibility conferred on them, be able to resolve this dispute. This authority and responsibility includes the obligation to report, if their efforts fail, whose fault such failure is.

If either party proves unwilling in these negotiations to accommodate its position to the broader interests which are involved—including its own—it will then be fairly viewed as inviting "compulsory" settlement in one form or another. The proposed resolution contemplates this possibility, and provides for final determination—but I am confident this will not be necessary.

It would be easier and simpler to prescribe a final and binding settlement procedure in this case now. The circumstances of the particular case warrant this. But the broader interests of the public, and the reactions of labor and of management to the suggestion of Government seizure, warrant giving voluntary settlement processes another chance.

In the meantime, however, the public is entitled to have its air transport continued.

It is the clear duty of the men to go back to work at once. The national interest, the national health, safety, and defense, and their own civic duty require it. The interests of the men will be fully protected, since the resolution explicitly provides that the wages settlement provisions of any agreement shall be retroactive to the date of expiration of the last wage contract, January 1, 1966.

Mr. President, I have agreed to read the joint resolution on the floor of the Senate because it will be immediately referred to the Committee on Labor and Public Welfare for its session which will commence at 2 o'clock this afternoon. It is my hope that the Committee on Labor and Public Welfare may see fit—I believe it should—to stay in session long enough to take action on the joint resolution, so that the Senate may take action on it not later than tomorrow.

The joint resolution provides for the settlement of the labor dispute currently existing between air carriers and certain of their employees.

I read the joint resolution:

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 Machinists Airline, Inc., National Airlines, Inc., Northwest Airlines, Inc., Trans World Airlines, Inc., and United Air Lines, Inc., and certain of their employees represented by the International Association of Machinists and Aerospace Workers, a labor organization, threatens the health, safety, and defense of the Nation, that it is essen-

tial to the national interest, including the national health, safety and defense, that essential transportation services 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 No. 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 in 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. The period of time provided for in Section 10 of the Railway Labor Act, paragraph 3, during which 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, is hereby reinstated and extended, for one hundred and eighty days, effective immediately. During said period of time none of the parties to the controversy, or affiliates of said parties shall engage in or continue any strike or lock-out.

Sec. 3. The President shall, at the earliest possible date, appoint a Special Airline Dispute Board which shall engage in mediatory action directed to promoting agreement between the parties. Any such agreement shall provide that the wage settlement provisions be retroactive to January 1, 1966. Notwithstanding any other provision of law, each member of the Board shall be compensated at a rate prescribed by the President for each day together with necessary travel and subsistence expenses.

Sec. 4. If the agreement has not been reached within one hundred and fifty days, the Board shall make recommendations to the President, and the President shall advise the Congress, regarding terms or procedures which will assure 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 section 2 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, 1911 (29 U.S.C. 101-115).

Sec. 6. If any provision of this Joint Resolution in the application thereof is held invalid, the remainder of this Joint Resolution shall not be affected thereby.

Mr. President, I wish to say that I am satisfied that the resolution he is offering is both constitutional and enforceable, and would not be affecting it.

10:25 a.m., Tuesday
July 26, 1966

mc

FOR THE PRESIDENT

FROM Joe Califano

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EXECUTIVE

LAG/Civilians

July 25, 1966

MEMORANDUM FOR THE PRESIDENT

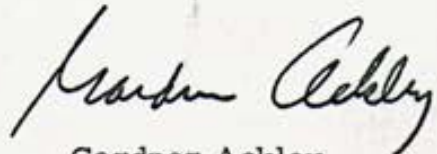
Subject: Airline Strike

As I understand it, the alternative to Administration support of the Morse Bill is a capitulation by the airlines to the current union demands. In my view such capitulation would have the following consequences:

1. A settlement averaging out to about 5.1% a year for 3 years, plus some kind of cost-of-living escalator.
 - . The escalator demanded by the union would cost about an extra 2-1/2% a year over the 3 years (assuming -- realistically, but not for publication -- a 3-1/2% a year rise in the consumer price index). Because it would become effective July 1, 1966, it would be at a rate of about 3% a year for the remaining life of the contract.
 - . However, I gather that it might be possible to get agreement on a less costly form of escalator -- perhaps effective somewhat later, at a lower rate, or with some maximum limit.
2. The direct consequences for the airline industry are that -- at some future time -- rate reductions would be smaller or come later than otherwise. Meanwhile, their ability to raise capital might be somewhat impaired.
3. The big consequence would be for other settlements, and thereby for the degree of inflation the economy will face in the years ahead.
 - a. It would surely kill whatever life remains in the present guideposts -- both for wages and prices.
 - b. It would surely make it more difficult to get acceptance of any new and more liberal guidepost for next year.
 - c. It would immediately affect the outcome of the telephone and GE-Westinghouse negotiations. Management would simply not fight for reasonable settlements.
 - d. The most serious impact would be psychological: the Government proved unwilling -- in a showdown -- to support legislation that would curb union demands that the President by implication has

called unreasonable. Since the public does not know that we have been fighting behind the scenes, the conclusion would be (as it is now) that the Government fights on (some) prices, but not on wages.

- e. An escalator clause would be sought in every union negotiation from here on out. Some existing settlements (e. g., steel) might even be reopened to provide it. Escalation is an engine of inflation. That is why you vetoed the star route bill last week.
- 4. It would be a serious blow to business confidence. At your request I talked this evening to two wise financial people about what caused today's stock market collapse. Both of them said that one thing seriously worrying the business community is the labor situation -- the apparent inability of the Government to resist excessive union demands, with what this implies for inflation (and thus for taxes and controls), and for a profits squeeze. (Businessmen really do worry about this, even though it is largely nonsense because prices will go up to cover all labor cost increases.) They referred to the troubles of sterling, and said business is asking whether we're heading the same way.



Gardner Ackley

EXECUTIVE 5
FG 431/24
FG 140
LA 6/airline
PO

STATEMENT ON BEHALF OF THE POST OFFICE DEPARTMENT
BEFORE THE COMMITTEE ON LABOR AND PUBLIC WELFARE

UNITED STATES SENATE

JULY 26, 1966

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

The Post Office Department is pleased to appear before you today as you requested, to explain the affect of the airline strike on the mail service.

As you know, airmail is our premium service, -- a service on which a large segment of the public relies for expeditious delivery of its mail.

To business and professional people, as well as private individuals in their personal correspondence, airmail is an essential service for communication and for the rapid delivery of commodities. Financial and legal documents, bank clearances, medicines and medical supplies, military items of many kinds essential to defense needs are a few examples of items for which airmail is important.

Last year we handled approximately 200 million pounds of airmail, involving over two billion pieces. This is a daily average of about 641,000 pounds; over 6.7 million pieces. About two-thirds of the total air service is performed by the five air carriers now on strike. They accounted for about 134 million ton-miles of service last year.

In addition to this quantity of service, each of these carriers operated many schedules of particular value to mail, -- schedules which with their connecting services are an essential element of a pattern of distribution and transportation designed to provide rapid delivery of airmail.

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Page 2.

The loss of this available capacity and schedules has resulted in delays of up to 24 hours, and in some instances where important connections are lost, and congestion or limited capacity is acute, delays could be as much as 48 hours.

We have done the best we can to minimize these delays. The remaining air carrier operations are fully utilized to move the mail, using extensive circuitous routings where necessary. In most instances, the mail is moving later and frequently delayed at transfer or connecting points.

On some of our more critical segments where the strike has had its greatest impact, we arranged for air charter schedules specially flown for mail, and in many instances have had to use regular surface means. This substitute service falls short of the normal standard of airmail service maintained by the Post Office Department.

Our most critical segments are the north-south movements on the Eastern seaboard, and on the West Coast; and the east-west movements between the populous Eastern states and many points throughout midwest and western states.

Military mail service to Pacific points, including Saigon has been impaired in the domestic phase.

In the Pacific international area, the only U. S. air carrier on strike is Northwest, but it has operated military flights exempt from the strike, which have been used for mail to our Armed Forces. This military flight has helped keep servicemens' mail delay to a minimum.

I should point out, that in addition to airmail, we normally move a substantial volume of first-class mail by air on a space-available basis. This is part of a program inaugurated in 1953. With the strike, it has been

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Page 3.

necessary to return most of this mail to surface channels, with much slower delivery. On a daily basis, this averages about 365,000 pounds, and the delays run as high as 4 to 5 days, as compared to pre-strike service on the routes affected.

Some specific examples of delays are attached.

According to the Federal Reserve Board, this strike has effected the normal float by increasing it from \$275 million to \$900 million daily with an average increase of \$570 million daily. These statistics were taken between July 11 and July 22.

Also, according to the Federal Reserve Board, this situation is directly attributed to the delays in transportation in general including airmail. The excess of float resulting has an inflationary effect according to the Federal Reserve Board. Without a detailed study, it is almost impossible to determine the financial losses experienced by individuals using the mails for business such as deposits to banks by mail, payments of bills, etc., but it is generally considered to be a substantial sum of money.

Requests have been received by us from pharmaceutical companies concerning the problems they have had in transporting medicines and drugs to patients. They have requested the assistance of the Post Office Department and other transportation medias to work out arrangements for the moving of these vital and lifesaving pharmaceuticals. Correcting this situation is almost impossible because of the lack of available space as long as the strike is in existence.

EXAMPLES OF DELAY TO AIRMAIL

New York to Seattle

Under normal operations, mail leaving major East Coast cities in the late evening arrives in Seattle on United Airlines' flight 159. During the strike it has been necessary to dispatch this mail from New York on Flying Tiger, providing arrival in Seattle at 11:20 a.m., with 24 hours delay. From other Eastern points, such as Philadelphia, Baltimore and Washington, this mail is being rerouted through San Francisco. In some instances it is impossible to clear this mail through San Francisco without an over-all delay of 48 hours. This is also true of the Portland area.

Washington to Atlanta

The loss of Eastern Airlines' service between Washington and Atlanta and Florida points has resulted in regular delays of 24 hours in this comparatively short-range area. Consistently, from 4,000 to 5,000 pounds of mail for this area cannot be moved on flights which provide next day delivery and does not leave Washington till 10:00 or 11:00 a.m. the following day, resulting in 24-hour delay. To prevent greater delays, it has been necessary to implement a charter operation between Washington and Atlanta, serving Greensboro and Charlotte. Even this, however, cannot prevent the serious delays mentioned above.

Washington to Albuquerque

TWA provides our normal service from Washington to Albuquerque. During the strike it has been necessary to route this mail through Dallas with a 24-hour delay.

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New York to Miami

With the loss of 2 principal carriers in the Boston, New York - Miami service, all mail is experiencing 24 hours delay.

West Coast Service

In some instances we have experienced delays up to 72 hours in the movement of mail from Los Angeles and San Francisco to the Seattle and Portland areas. With the installation of one round-trip of chartered service it has been possible to reduce these delays to 24 and 48 hours.

First Class Airlift Mail

First class airlift mail being diverted to trains is causing extra work load conditions on trains which result in large volumes arriving at destinations unworked, causing further delays.

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July 27, 1966

Dear Mr. Secretary:

The President today signed an Executive ^{#11291} Order entitled "Creating an Emergency Board To Investigate a Dispute Between the American Airlines, Inc., and Certain of Its Employees," a copy of which is enclosed.

Sincerely,

William J. Hopkins
Executive Assistant
to the President

The Honorable
The Secretary of Labor
Washington, D. C.

Enclosure

rrg

Green Copies and yes FGH's

E.O. Signed & Dated: 7/27/66
To Archives: 7/27/66
Serialized

EXECUTIVE.

LA1-1/Airlines/American Airlines, Inc.
FE6
FG160
FE264
LA6/Airlines
Transport Workers
UNION of America

RECEIVED
JUL 28 1966
CENTRAL FILES

July 27, 1966

Dear Mr. Chairman:

The President today signed an Executive ^{#11291}
Order entitled "Creating an Emergency Board
To Investigate a Dispute Between the American
Airlines, Inc., and Certain of Its Employees,"
a copy of which is enclosed.

Sincerely,

William J. Hopkins
Executive Assistant
to the President

Honorable Francis A. O'Neill, Jr.
Chairman
National Mediation Board
Washington, D. C.

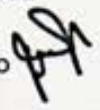
Enclosure

rrg

THE WHITE HOUSE
WASHINGTON

July 27, 1966
Wednesday, 11:55

FOR THE PRESIDENT

FROM Joe Califano 

Nick has reviewed the attached Executive
Order creating the Emergency Board.
We recommend signature.

Attachment



Office of the Attorney General
Washington, D. C.

JUL 27 1966

The President,

The White House.

My dear Mr. President:

I am herewith transmitting a proposed Executive order entitled "Creating an Emergency Board To Investigate a Dispute Between the American Airlines, Inc., and Certain of Its Employees."

This proposed order was presented by the National Mediation Board, and has been forwarded for the consideration of this Department as to form and legality by the Bureau of the Budget with the approval of the Director thereof.

The proposed Executive order is approved as to form and legality.

Respectfully,

Frank M. Wozencraft
Frank M. Wozencraft
Assistant Attorney General
Office of Legal Counsel

E.O. Signed & Dated: 7/27/66

To Archives: 7/27/66

STENCILLED

*Noted
vrg*

JUL 27 1933

MEMORANDUM

Re: Proposed Executive order entitled
"Creating an Emergency Board To Investi-
gate a Dispute Between the American Air-
lines, Inc., and Certain of Its Employees"

This proposed Executive order was presented by the National Mediation Board and has been forwarded for the consideration of this Department as to form and legality by the Bureau of the Budget with the approval of the Director thereof.

This order is similar to many other orders issued pursuant to the Railway Labor Act. It creates an emergency board to investigate a dispute between the American Airlines, Inc., and certain of its employees represented by the Transport Workers Union of America, AFL-CIO. The dispute covers both the company's and the organization's proposals for changes in existing contracts.

The Mediation Board states that the situation appears to the Board as being extremely critical in that the dispute in question threatens to interrupt interstate commerce to a degree such as to deprive a section of the country of essential transportation service. The Board also states that the disputes have been handled in conformity with the Railway Labor Act, as amended, but have not been adjusted.

Based upon the facts recited by the Board, the order is in accord with Section 10 of the Railway Labor Act (45 U.S.C. 160), as extended to common carriers by air by Section 201 of that Act (45 U.S.C. 181), and is acceptable as to form and legality.

The letter from the Mediation Board indicates that the labor organization has advised the Board that it intends to strike as of 12:01 A.M., July 28, 1966.

Frank M. Wozencraft
Assistant Attorney General
Office of Legal Counsel

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

JUL 26 1966

Honorable Nicholas deB. Katzenbach
Attorney General
Washington, D. C. 20530

Dear Mr. Attorney General:

Herewith, pursuant to the provisions of Executive Order No. 11030 of June 19, 1962, is a proposed Executive order entitled "Creating an Emergency Board to Investigate a Dispute Between the American Airlines, Inc., and Certain of its Employees."

The proposed order would establish an emergency board of three members, to be appointed by the President, to investigate a dispute between the American Airlines, Inc., and certain of its employees represented by the Transport Workers Union of America. The dispute, involving certain changes in the existing contract, has been handled in conformity with the Railway Labor Act, as amended, but has not been adjusted.

Creation of emergency boards by the President to investigate such disputes is authorized by Sections 10 and 201 of the Railway Labor Act, as amended (45 U. S. C. 160 and 181), when, in the judgment of the National Mediation Board, the dispute threatens substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service.

The proposed order is a retyping, with minor changes, of a draft which was submitted by the Chairman of the National Mediation Board with a letter of July 26, 1966, to the President. The letter was accompanied by a memorandum which sets forth the history and present status of the dispute. The original and one copy of the letter, the memorandum, and the draft order are enclosed.

Attention is invited to the fifth paragraph of the Chairman's letter, stating that the employees represented by the Transport Workers Union will withdraw from the services of the carrier at 12:01 a.m., Thursday, July 28, 1966. A representative of

- 2 -

the National Mediation Board has requested that the proposed order be issued as soon as possible before that time.

The proposed order has the approval of the Director of the Bureau of the Budget.

Sincerely yours,

Arthur B. Focke
General Counsel

Enclosures

NATIONAL MEDIATION BOARD

WASHINGTON, D.C. 20572

July 26, 1966

Dear Mr. President:

In the judgment of the National Mediation Board a situation exists such as is described in the Railway Labor Act, as amended, Section 10, in respect of a dispute between the American Airlines, Inc., and certain of its employees represented by the Transport Workers Union of America, AFL-CIO.

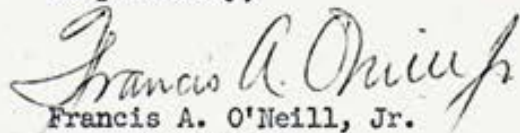
The dispute covers both the company's and organization's proposals for changes in the existing contracts.

The situation appears to our Board as being extremely critical in that the dispute in question threatens to interrupt interstate commerce to a degree such as to deprive a section of the country of essential transportation service. This dispute has been handled in conformity with the Railway Labor Act, as amended, but not adjusted.

The organization has officially advised the National Mediation Board that employees represented by that organization will withdraw from the services of the carrier at 12:01 A.M., Thursday, July 28, 1966.

We are herewith transmitting for your consideration a draft of an executive order creating a board to investigate the dispute pursuant to Section 10 of the Railway Labor Act, as amended.

Respectfully,



Francis A. O'Neill, Jr.
Chairman,
National Mediation Board.

The President,

The White House.

MEMORANDUM

Case A-7789
AA/TWU

April 27, 1966, the National Mediation Board received a telegraphic application for its mediatory services in connection with a dispute involving the Transport Workers Union of America, AFL-CIO, from American Airlines.

The dispute involved both company and organization Section 6 notices for changes in maintenance, stores, and communication agreements between the parties.

The application was docketed April 28, 1966, as NMB Case A-7789. The case was set for mediation commencing May 16, 1966, and continued through June 8, 1966.

June 22, 1966, the Mediation Board, in accordance with Section 5, First, of the Railway Labor Act, urged the parties to submit the dispute to arbitration. The organization declined to submit the dispute to arbitration and on June 27, 1966, the parties were advised, in accordance with Section 5, First (b), of the Railway Labor Act, that its mediatory efforts had failed.

July 14, 1966, the parties were requested, in the public interest and without formal resumption of jurisdiction by the National Mediation Board, to resume conferences in an effort to dispose of the dispute.

Conferences, as requested, were held commencing July 20, 1966, but as of this date an agreement has not been reached which would dispose of the issues involved.

The organization has officially advised the National Mediation Board that the employees represented by that organization will be withdrawn from the service of the carrier at 12:01 A.M. Thursday, July 28, 1966.

TAT/kcp

EXECUTIVE ORDER

CREATING AN EMERGENCY BOARD TO INVESTIGATE DISPUTE
BETWEEN THE AMERICAN AIRLINES, INC., AND CERTAIN
OF ITS EMPLOYEES

WHEREAS a dispute exists between the American Airlines, Inc., a carrier, and certain of its employees represented by the Transport Workers Union of America, AFL-CIO, a labor organization, and

WHEREAS this dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended; and

WHEREAS this dispute, in the judgment of the National Mediation Board, threatens substantially to interrupt interstate commerce to a degree such as to deprive a section of the country of essential transportation service:

NOW, THEREFORE, by virtue of the authority vested in me by Sections 10 and 201 of the Railway Labor Act, as amended (45 U.S.C. 160 and 181 respectively), I hereby create a board of three members, to be appointed by me, to investigate this dispute. No member of the board shall be pecuniarily or otherwise interested in any organization of airline employees or any carrier.

The board shall report its findings to the President with respect to this dispute within thirty days from the date of this order.

As provided by Section 10 of the Railway Labor Act, as amended, from this date and for thirty days after the board has made its report to the President, no change, except by agreement, shall be made by the American Airlines, Inc., or by its employees, in the conditions out of which this dispute arose.

THE WHITE HOUSE

July , 1966.

IMMEDIATE RELEASE

JULY 27, 1966

Office of the White House Press Secretary

THE WHITE HOUSE

EXECUTIVE ORDER

11291

CREATING AN EMERGENCY BOARD TO INVESTIGATE A DISPUTE
BETWEEN THE AMERICAN AIRLINES, INC., AND
CERTAIN OF ITS EMPLOYEES

WHEREAS a dispute exists between the American Airlines, Inc., a carrier, and certain of its employees represented by the Transport Workers Union of America, AFL-CIO, a labor organization; and

WHEREAS this dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended; and

WHEREAS this dispute, in the judgment of the National Mediation Board, threatens substantially to interrupt interstate commerce to a degree such as to deprive a section of the country of essential transportation service:

NOW, THEREFORE, by virtue of the authority vested in me by Sections 10 and 201 of the Railway Labor Act, as amended (45 U.S.C. 160 and 181, respectively), I hereby create a board of three members, to be appointed by me, to investigate this dispute. No member of the board shall be pecuniarily or otherwise interested in any organization of airline employees or any carrier.

The board shall report its findings to the President with respect to this dispute within thirty days from the date of this order.

As provided by Section 10 of the Railway Labor Act, as amended, from this date and for thirty days after the board has made its report to the President, no change, except by agreement, shall be made by the American Airlines, Inc., or by its employees, in the conditions out of which this dispute arose.

LYNDON B. JOHNSON

THE WHITE HOUSE,

July 27, 1966.

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EXECUTIVE

FG431/L*

LA6/Airline

FG160

TESTIMONY OF
W. WILLARD WIRTZ, SECRETARY OF LABOR
before the
SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE
July 27, 1966

Mr. Chairman and Members of the Committee:

You have requested testimony from members of the Administration "on the sole issue of whether an emergency exists as set forth in S. J. Resolution 181 and related bills."

The positions of the various Departments and agencies concerned with airline transportation have been brought together in this statement. Representatives of the Department of Defense, Post Office Department and the Department of Commerce are with me at this hearing.

The proposed finding in Section 1 of S. J. Resolution 181 is that the current airline strike "threatens essential transportation services of the Nation; that it is essential to the national interest, including the national health, safety and defense, that essential transportation service be maintained; ... that it is desirable to achieve a settlement of this dispute in a manner which serves the public interest in economic stabilization and which preserves the free collective bargaining method (an) that emergency

measures are essential to the settlement of this dispute and to the security and continuity of transportation services by such carriers."

This compares with the language which establishes the prerequisite for Presidential action in establishing an Emergency Board under Section 10 of the Railway Labor Act. The reference there is to a dispute which should "threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service."

Immediately upon receiving word Monday afternoon of the Committee's desire to hear testimony as to whether an emergency exists within the meaning set forth in S. J. 181, an intensive review of the impact of this strike was undertaken by the Departments of Defense, Commerce and Post Office. I have at hand the results of those reviews.

On July 7, when informed that a strike would take place the next morning, the President issued directives designed to minimize its impact upon the civilian and military communities. These directives went to the Acting Secretary of Defense, the Chairman of the Civil Aeronautics Board, the Administrator of the Federal Aviation Authority, the Chairman of the Interstate Commerce Commission and the Postmaster General.

The extraordinary response in terms of emergency measures taken as a result of these directives both within the Government and throughout the air transport industry has to a remarkable degree met the essential needs of the Department of Defense and has served to minimize inconvenience and injury to the civilian population. Whether these measures, with their severe demands on physical and human resources, can continue to be effective for long is speculative.

I would sum up the situation this way:

1. This strike has of course a direct and unquestionably serious impact on the companies involved and on their employees.
2. It has caused extensive disruption and inconvenience in air travel and transport generally.
3. It has hurt particular businesses and particular areas badly.
4. It has had a marked but not large scale effect on the economy generally.
5. It has slowed up the Postal Service significantly.
6. It has not affected the defense or military effort materially.
7. There are definite signs of increasing loss, cost, inconvenience, and possible danger.

Since this strike began twenty days ago I have received over two thousand telegrams and letters from Senators and Congressmen -

from Governors, Mayors and other officials at State and County level -- from business interests both large and small -- from trade associations and private citizens -- all expressing concern over this dispute. From their tone and content they reflect the view that from the perspective of the individual citizen or the public official at all levels of government this strike constitutes something far more than mere inconvenience. More than half of them plead for some form of governmental action to accomplish an immediate resumption of operations. A third are voices of outrage and frustration over personal and business losses caused by forces beyond their control. They are an expression of resentment that a dispute between a relatively few people is affecting the lives of many. They come from thirty-three states of the nation and if they can be accepted as a valid indication of current public opinion then resentment and concern over this stoppage is widespread and intense.

Now in more detail.

The most direct ^① affect is of course on the five tied-up airlines, the 35,400 striking employees, and between 35,000 and 40,000 nonstriking airline employees who have been laid off.

The number of passengers a day grounded by the strike is
150,000.

- * One-third of this is personal travel. Most of this is a matter of comfort and convenience, but thousands of lost trips are a matter of hardship, ranging from the soldier's delay in returning home on furlough to the loss of an opportunity to visit an ailing relative.
- * Two-thirds of the trips are business travel for such purposes as selling goods, buying material, exchanging information, bringing in consultants, etc. There is no way to estimate how the loss (or circuitous pursuit) of these contacts crimps business efficiency; but the costs must be substantial.

The Military Program.

The Department of Defense reports little direct impact upon the movement of military personnel, except for those service personnel traveling on leave status.

As the inception of the strike arrangements were made through the Department of Labor, in cooperation with officials of the Machinists Union, to provide for the orderly and expeditious clearance of all commercial charter flights requested by the Department of Defense. As a result, group movements of military personnel have been accomplished with little delay and in numbers comparable to, in fact higher than, those transported by commercial air carriers before the strike began.

Prior to the strike the weekly average of Department of Defense passengers (essentially military personnel) moving out-bound from the United States in commercial aircraft was 15,558. In the period since the strike began -- July 8 through July 25 -- the weekly average on commercial aircraft prior to the strike was 16,777, as contrasted to 20,650 since the strike began.

Similar comparisons prevail for cargo moved, both foreign and domestic.

The Department of Defense has at the same time experienced serious problems as a result of the strike:

- * Official travel within the United States has been reduced by 25% to 40%.
- * Military training programs requiring use of National Guard and Air Force Reserve Aircraft have had to be adjusted to accommodate the withdrawal of aircraft for Project Combat Leave.
- * Use of alternative means of transport and escalated operations of military aircraft to move "duty" and "leave" passengers has increased costs.
- * Added chartered U. S. Contract Cargo capability has not been obtainable since a large portion of supplemental air carrier capability is being employed to supplement regular airline services.
- * Difficulty is being experienced by defense contractors in moving personnel on a timely basis.

Business and Commercial Interests.

The air transportation system in the United States consists of 11 trunk carriers and 13 local service carriers. In addition, there are 13 supplemental carriers, a fleet of more than 90,000 general aviation aircraft, and a fleet of 3 all-cargo carriers. The five struck airlines, Eastern, National, Northwest, TWA and United, normally account for approximately 60% of the scheduled trunk carrier passenger service and approximately 57% of the air cargo.

From the standpoint of the Nation's total transportation system, air transportation accounts for approximately 6% of the total inter-city passenger miles and approximately one-tenth of one percent of total freight movements.

While it is clear that the five airlines involved in the strike account for a substantial portion of the airline traffic in the United States in terms of passengers, cargo and mail, it is also important to note that only five of the 100 top city pairs in terms of traffic generation are without direct one carrier service as a result of the strike.

At the time the strike began the trunk carriers as a group were operating at load factors ranging generally from 50 to 60 percent

systemwide and local service carriers were operating at 45 to 50 percent. This meant that there was at least some measure of excess capacity available in the system, even without increasing the frequency of flights.

To alleviate the pressure caused by the strike, the CAB has issued a number of orders authorizing an emergency type action by the non-struck trunk carriers, the local service carriers and the supplementals.

These orders have facilitated additional scheduling and types of service not normally provided by these carriers in order to make air transportation more readily available to the traveling and shipping public.

It has been estimated that approximately 150,000 domestic passengers daily would have flown on flights scheduled by the five struck airlines, were operations continued on a normal basis. The non-struck airlines have added extra schedules and both the trunk carriers and the local service carriers are experiencing higher load factors. Because of limitations on the number of hours per month crews can fly it may not be possible to maintain operations at their present expanded level during the last few days of the month.

Essential cargo is moving by air, though some delay is being experienced. There is less accumulation of cargo at the docks than the airlines had anticipated but it is clear that some shippers have rearranged their schedules for movement of cargo because of the strike.

In a strike of short duration not involving all domestic airlines, it is clear that the remaining non-struck lines and other modes of transportation can pick up a substantial portion of the passenger and cargo traffic that the struck airlines normally carry. It is possible however, that this offsetting factor may decrease over a protracted period since factors of safety and efficiency are involved.

We calculate that at the present rate the struck airlines are incurring a loss of about \$7 million per day in passenger, cargo and mail gross revenues. Taking into account the offsetting gains in revenue by the non-struck lines, railroad, truck and bus lines, we estimate that the gross revenues for the entire transportation industry are reduced by \$1 million a day. The indirect effects are estimated as of about the same order of magnitude.

In addition to effects on airlines, we must examine the effects on the industries which are normally dependent on air traffic. This is an area in which firm figures are difficult to ascertain.

We have many reports of the indirect impacts on hotel business and resorts. It appears that certain localities are seriously affected. Hotel occupancy is down in some cities.

There are other secondary effects which should be mentioned:

- * The rapid shipment of spare parts for repairs is often a matter of critical importance.
- * Perishable commodities such as cut flowers or fresh seafood cannot be shipped long distances except by air.
- * Air shipment is the preferred method of shipping delicate electronic and scientific equipment.

Officials of TWA have estimated that \$500,000 a day of their business is going to foreign flag carriers. This figure does not take into account, however, foreign travel by U. S. citizens which may have been curtailed (perhaps 5% of the total who planned travel during this period), increased U. S. landing fees paid by foreign flag carriers as a result of their increased traffic, et cetera.

We estimate the total adverse effect including all of these factors on balance of payments is on the order of \$1 million a week. These estimates do not reflect any diminution in foreign travel to the United States and in expenditures by foreigners visiting the States since we estimate that the strike has not yet reduced the flow of foreign visitors.

In summary, it is clear that the impact of the strike has been uneven. It does not pose a basic threat to the entire economy, but the seriousness of the strike for certain areas and industries warrants grave concern. The strike has posed serious inconveniences for thousands of people. Trips have been cancelled, scheduled business meetings have been changed, vacation plans altered. For many, the use of alternative methods of travel or shipment of cargo has proved possible. For some, however, no feasible alternative has been available.

Postal Service.

To business and professional people, as well as private individuals in their personal correspondence, airmail is an essential service for communication and for the rapid delivery of commodities. Financial and legal documents, bank clearances, medicines and medical supplies, military items of many kinds essential to defense needs are a few examples of items for which airmail is important.

Last year there were handled approximately 200 million pounds of airmail, involving over two billion pieces. This is a daily average of about 641,000 pounds; over 6.7 million pieces. About two-thirds of the total air service is performed by the five air carriers now on strike. They accounted for about 134 million ton-miles of service last year.

In addition to this quantity of service, each of these carriers operated many schedules which with their connecting services are an essential element of a pattern of distribution and transportation designed to provide rapid delivery of airmail.

The loss of this available capacity and schedules has resulted in delays of up to 24 hours, and in some instances where important connections are lost, and congestion or limited capacity is acute, delays could be as much as 48 hours.

The remaining air carrier operations are fully utilized to move the mail, using extensive circuitous routings where necessary. In most instances, the mail is moving later and is frequently delayed at transfer or connecting points.

On more critical segments where the strike has had its greatest impact, the Post Office Department has arranged for air charter schedules specially flown for mail, and in many instances has had to use regular surface means.

The most critical segments are the north-south movements on the Eastern seaboard, and on the West Coast; and the east-west movements between the populous Eastern states and many points throughout midwest and western states.

Military mail service to Pacific points, including Saigon has been impaired in the domestic phase.

In the Pacific international area, the only U. S. air carrier on strike is Northwest, but it has operated military flights exempt from the strike, which have been used for mail to our Armed Forces. This military flight has helped keep servicemens' mail delay to a minimum.

In addition to airmail, a substantial volume of first-class mail is normally moved by air on a space-available basis. With the strike, it has been necessary to return most of this mail to surface channels, with much slower delivery. On a daily basis, this averages about 365,000 pounds, and the delays run as high as 4 to 5 days, as compared to pre-strike service on the routes affected.

According to the Federal Reserve Board, the strike has affected the normal float by increasing it from \$275 million to \$900 million daily with an average increase of \$570 million daily. The excess of float resulting has an inflationary effect according to the Federal Reserve Board. Without a detailed study, it is almost impossible to determine the financial losses experienced by individuals using the mails for business such as deposits to banks by mail, payments of bills, etc., but it is generally considered to be a substantial sum of money.

Requests have been received ~~by us~~ from pharmaceutical companies to work out arrangements for the moving of vital and

lifesaving pharmaceuticals. Correcting this situation is almost impossible because of the lack of available space as long as the strike is in existence.

Examples of airmail delay:

- * New York to Seattle. Under normal operations, mail leaving major East Coast cities in the late evening arrives in Seattle on United Airlines' flight 159. During the strike it has been necessary to dispatch this mail from New York on Flying Tiger, providing arrival in Seattle at 11:20 a. m., with 24 hours delay. From other Eastern points, such as Philadelphia, Baltimore and Washington, this mail is being re-routed through San Francisco. In some instances it is impossible to clear this mail through San Francisco without an over-all delay of 48 hours. This is also true of the Portland area.
- * Washington to Atlanta. The loss of Eastern Airlines' service between Washington and Atlanta and Florida points has resulted in regular delays of 24 hours in this comparatively short-range area. Consistently, from 4,000 to 5,000 pounds of mail for this area cannot be moved on flights which provide next day delivery and does not leave Washington till 10:00 or 11:00 a. m. the following day, resulting in 24-hour delay. To prevent greater delays, it has been necessary to implement a charter operation between Washington and Atlanta, serving Greensboro and Charlotte. Even this, however, cannot prevent the serious delays mentioned above.
- * Washington to Albuquerque. TWA provides our normal service from Washington to Albuquerque. During the strike it has been necessary to route this mail through Dallas with a 24-hour delay.
- * New York to Miami. With the loss of 2 principal carriers in the Boston, New York - Miami service, all mail is experiencing 24 hours delay.

- * West Coast Service. In some instances we have experienced delays up to 72 hours in the movement of mail from Los Angeles and San Francisco to the Seattle and Portland areas. With the installation of one round-trip of chartered service it has been possible to reduce these delays to 24 and 48 hours.
- * First Class Airlift Mail. First class airlift mail being diverted to trains is causing extra work load conditions on trains which result in large volumes arriving at destinations unworked, causing further delays.

In conclusion:

It is obviously difficult to measure these disparate facts by the standards suggested by the phrases in S. J. Resolution 181.

The transportation services involved here are clearly "essential" in any ordinary sense of the term.

The "national interest" is plainly involved -- but hardly in the usual sense of "national health, safety and defense." Yet if there should be one accident on an airline during this strike period -- with the overload it places on the lines that are operating -- the recriminations would be levelled without regard to any proven facts of relationship or non-relationship to the strike. This possibility haunts this testimony -- and I assume no responsibility regarding it.

Neither do I mean by what are necessarily broad generalizations to disregard the hundreds of thousands of small and individual inconveniences a public service stoppage creates. We are entitled

to measure the national interest to some extent by what happens to each of us.

Finally, and more significantly, I have tried to give the Committee today's picture. Tomorrow's will be different, and worse by at least a little; and more so the next day.

If the question is whether the public deserves an end to this situation, the answer is clearly that it does.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EXECUTIVE
LAB/Airlines
FG 11-3
FG 160-9

July 27, 1966

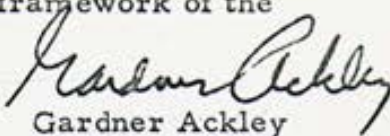
MEMORANDUM FOR MR. JOSEPH A. CALIFANO

Subject: Alternative Airlines Settlements

1. Lily Mary David of BLS has been costing out various alternatives regarding the effective dates of the various fringes, and of the escalator. The general conclusion is that we can get a fair amount of mileage out of modifying the effective date of the escalator, but not too much out of delaying the dates of the fringes.
2. I think we should be aware that the great "concessions" that George Meany was able to "wring" out of Siemiller this morning amount to nothing more nor less than what Jim Reynolds was already counting on yesterday. This is precisely the offer which we costed out at 5.1% plus cost of living (and inaccurately described as the "union's demands").
3. If, from this point, we could further move all fringe benefits scheduled for 1-1-67 (4 weeks vacation after 15 years, added holiday, holiday work premium, health and welfare, line premium) forward by one full year to 1-1-68, the cost of the package (less escalator) would be reduced only from 5.1% to 4.8%. Since it would obviously be difficult to move all of the fringes forward by one year, it is clear we would be lucky to get below 5% by this route.
4. The new formula for the escalator -- 1 cent for each 0.4 in the consumer price index, computed every 6 months -- does help a bit. And moving its effective date forward can save quite a lot. The table below shows the percentage increase due to the escalator provisions over the entire life of the contract, on the assumption of two different annual rates of increase in the CPI, and assuming four different effective dates for the escalator provision.

Assumed CPI Increase	Annual percentage increase over whole life of contract			
	Effective date (first payment 6 months later)			
	7-1-66	1-1-67	7-1-67	1-1-68
2-1/2% a year	1.0%	0.75%	0.5%	0.25%
3-1/2% a year	1.4%	1.0%	0.7%	0.3%

5. It seems to me we are still far away from "the framework of the Emergency Board's recommendations."


Gardner Ackley

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EXECUTIVE

LAG/Airlines
FG 11-3

July 27, 1966

MEMORANDUM FOR MR. JOSEPH A. CALIFANO

Subject: Alternative Airlines Settlements: Addendum

Here are the revised dollar costs of the alternative packages:

Without Escalator:

- | | | |
|--|-----------|---------------|
| 1. Emergency Board, equivalent for 36 months | \$65.2 m. | ^{1/} |
| 2. "Reynolds-Meany" package | 83.0 m. | ^{2/} |
| 3. Same, with dates for all fringes moved forward 6 months | 79.5 m. | |
| 4. Same, with dates for all fringes moved forward 1 year | 76.5 m. | |

Escalator:

Annual CPI Increase
2-1/2% 3-1/2%

- | | | |
|---|-----------|-----------|
| 1. Original proposal: 1¢ for 0.3 in CPI, effective 7/1/66, recalculated quarterly. | \$21.1 m. | \$29.5 m. |
| 2. Revised escalator: 1¢ for 0.4 in CPI, effective 7/1/66, recalculated every 6 months. | 10.9 m. | 15.4 m. |
| 3. Same, effective 1/1/67 | 6.4 m. | 9.1 m. |
| 4. Same, effective 7/1/67 | 3.2 m. | 4.6 m. |
| 5. Same, effective 1/1/68 | 1.1 m. | 1.4 m. |

¹An arbitrary prorating from .42 to 36 months.

²Recalculated by L. M. David.

Gardner Ackley
Gardner Ackley

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July 25, 1966

FACT SHEET

Airline Strike (Effect on Movement of Airmail)

The Post Office Department is still confronted with serious delays in moving airmail which has been primarily due to the drastic reduction in available schedules that has been created through the strike.

About 70 percent of the nation's airmail was moved by the striking airlines -- Eastern, National, Northwest, Trans World, and United. This amounts to more than one million pounds daily or more than 10½ million pieces of mail which includes letters and air parcel post. Of this amount, about 10 percent or 100,000 pounds of airmail daily must be moved by surface transportation due to the lack of available air schedules.

The Post Office Department has had to suspend airlift of first class mail almost entirely, which amounted to about 365,000 pounds daily, because of the overload of airmail; however, there are some cases where there has been sufficient space on the aircraft to move it.

Recent reports from our 15 regional offices show that in some areas the delays are extending beyond the 24 hour period we first experienced. The Department is utilizing all the services of the non-striking airlines who have done an excellent job in helping to move the mails. In addition, we have had to utilize the services of eight chartered airlines to keep the mails moving.

From all indications as reported by our Chicago, Minneapolis, and St. Louis regions, airmail volume has dropped. The problem of keeping the mails moving in these regions, however, is still critical.

Special effort is being made throughout the Postal Service to keep military and servicemen's mail moving with a minimum of delay.

Northwest Airlines is maintaining all military flight commitments which includes military mail generated on the east coast which is flown from New York to Tokyo. Pan American Airlines has added flights and advised that it will be able to handle all Hawaiian and military mail from the west coast. Service to Europe and South America is being maintained by Pan American and Seaboard Airlines.

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1611-3
July 11, 1966

Notes on the Airline Strike

1. The Workers and Their Demands

We all remember the days when unions struck for the right to bargain collectively; when they struck for the right to have their grievances heard. We all remember when unions had to strike to get a living wage and decent working conditions.

Sometimes those strikes caused inconveniences or losses to people who were not involved; but those strikes evoked our sympathy because they were strikes for the fundamental rights of labor.

But this is not that kind of strike. No one contends that the workers can't get their grievances heard. The union is not fighting for its life or even for its security.

The present dispute involves[✓] no alleged violation of the rights of labor. The airline employees and their union have enjoyed for years all the rights and privileges that workers are entitled to in our society. The rights of the employees to organize have been protected by law; the employers have always recognized the union and have bargained with it. The union is in a secure position, and the employees have enjoyed the full benefits that accrue from being represented by a strong organization.

Nor is the union striking because it could not get its case heard. The airlines bargained in good faith as they have done for years. The Emergency

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Board held lengthy hearings and studied 3000 pages of testimony and exhibits bearing on every aspect of the case. The union's case was heard. But the union hasn't heard the public's case. It has refused a settlement proposed by an impartial board after lengthy hearings -- a settlement which was recommended to the parties by the President of the United States. It has refused an offer by the airlines which even exceeded the settlement proposed by the Emergency Board. It has refused to accept arbitration. It continues to make inflationary demands that -- if they were generalized to other unions -- could only raise the cost of almost everything Americans buy.

Now it has struck the airlines and is making hundreds of thousands of Americans suffer.

If the union members were struggling for decent wages and working conditions they would have our sympathy. They are not. And they do not have the sympathy of the American people.

Airline employees have been paid better than most workers for years. Ten years ago employees of the airlines involved in this strike were very well paid. They earned more per hour than the workers in all but five of our manufacturing industries. In the succeeding decade, airline wages have increased faster than those of most other workers. Average straight time earnings of manufacturing workers increased 39% between 1956 and 1966. But the airline workers represented by IAM have had increases amounting to 56%.

Now, and in every year since 1962, the average hourly earnings of the workers represented by IAM on these five airlines have exceeded those in any manufacturing industry and have passed those earned by railroad maintenance employees.

The airline employees represented by the IAM have also enjoyed fringe benefits that compare most favorably with those of employees of other industries. For example the pension benefits resulting from the contributions of the employers have been better than benefits in such leading industries as automobiles, aerospace, or steel. Similarly vacation and other benefits of the airline employees compare favorably with those in other industries.

If the union accepted the recommendation of the Emergency Board, an airplane mechanic would make during the coming year \$3.64 an hour. Without any overtime this would make about \$650 a month. Contrast this with a pay of an average G.I. in Vietnam whose total pay -- including combat pay and an allowance for a dependent -- amounts to about \$230 a month. Contrast airline wages not merely with the minimum wage of \$1.25 an hour, still paid to hundreds of thousands of workers, but with the average of \$2.70 an hour, including overtime, now earned in manufacturing, or the \$1.91 an hour now earned in retail trade. Contrast it, if you will, with the \$84 a month received by a retired worker under social security.

The Emergency Board recommended a settlement that is both fair and generous to the workers yet in keeping with our policies of minimizing

- 4 -

inflationary pressures. The union demands would raise the cost of settlement about 50% above the cost of the contract recommended by the Board. If these union demands were to be met, how could we continue to ask for restraint and moderation by workers in other industries? If these union demands were to be met and then were matched by others, what would happen to the cost of living of the American people?

During the past year, most key industrial bargains -- in steel, rubber, coal, telephones, aluminum, cans -- have been characterized by moderation. The pay of Federal workers has stayed in line with the Administration's wage policy. The unions in these and other industries have recognized the fact that excessive wage increases raise unit costs, require higher prices, lead to a wage-price spiral, and thus generate an inflation that hurts everybody -- and most of all the working people. They have recognized that the true basis for higher living standards for all Americans is increasing productivity. They have recognized that workers whose wages increase by more than the average advance in productivity can gain only by reducing the real income of some one else -- usually of some other worker.

But now this union of the very best paid employees is trying to negotiate a settlement -- in defiance of the recommendations of a public board -- a settlement that will be clearly inflationary. If this union succeeds, its success may well wreck our hope for price stability, and our ability to maintain a healthy and expanding economy.

- 5 -

The union is asking not only for extremely large pay increases but on top of it for a cost of living escalator clause. It wants protection against inflation but it doesn't care what happens to anyone else. One union may inconvenience the public enough to get an excessive wage increase, and help to start an inflationary spiral, and then protect itself with escalator clauses. But we can't all do that. Old people living on their pensions and savings can't do it. Workers whose wages were set by last year's contracts can't do it. Workers who get only the minimum wage can't do it.

Airline workers are, in effect, in the public service. They have contributed to making the American airline industry the most progressive, the most efficient, the safest, and the most economical in the world. Now they are challenged to serve the public interest in another way. The American people expect them to end this crippling strike, and to withdraw the excessive demands that threaten the Nation's interest in a stable and healthy economy.

2. The Employers and Their Earnings

In making its excessive demands, the union stresses the fact that the airlines are presently enjoying a very considerable prosperity. What it fails to recognize is

- that this prosperity is extremely recent; until the last 2 years, airline earnings have been entirely inadequate;
- that, as a regulated industry, the airlines are severely limited in their opportunity to earn high rates of return over a period of years, to balance their earlier low returns; and
- that the carriers face tremendous capital requirements in the years ahead.

These are the average rates of return on investment of the domestic airline trunk carriers over the past decade:

1956	9.6%
1957	4.8%
1958	6.5%
1959	7.1%
1960	2.8%
1961	1.5%
1962	4.1%
1963	4.3%
1964	10.0%
1965	12.4%

The past two years have been excellent years for the airlines; no one can deny. But over the preceding 8 years, 1956-63, their average return was a modest 5.1%. This compares with an average rate of return on investment in manufacturing companies of about 9.1% over that same 8 year period. And in each of the last two very good years for the airlines, *their* average return was roughly the same as in all manufacturing. Over the whole decade, 1956-1965, manufacturing companies earned 4.5 percentage points more on investment than did the airlines.

And not all airlines have done as well as the average. Among the 5 struck carriers, one barely broke even in 1960 and had substantial losses in 1961, 1962, and 1963. Another lost money in 1956, 1961, and 1962. Still another lost money in 1960 and barely broke even in 1961.

Moreover, one must recognize that, as a regulated industry, the airlines cannot expect to maintain indefinitely their current rates of return. If their costs rise unnecessarily, it can in the long run only be at the expense of the consumer.

After their long lean years, the airlines need to earn decent profits to get ready for the tremendous investments that lie ahead. The current generation of jet planes now in use cost \$3-\$6 million each. The newer jets that are around the corner may ultimately prove to be a profitable

investment for the airlines and a boon to consumers. But before that profit can be earned and before consumers can receive the bonus of lower fares, a gigantic investment will be required.

The new "stretch" jets soon to be in use will cost not \$3-\$6 million, but \$9 million per plane. The great new 747 is estimated to cost \$20 million. And the American supersonic jet, expected to become available around 1972 -- only 6 years from now -- may cost a fantastic \$35 million a plane.

The billions of dollars of necessary capital to provide this new fleet for our carriers can never be provided by the profits of the airlines in the next few years. But their profitability in the next few years will have to be such as to induce investors to buy the shares and the bonds that will finance the tremendous investment that will be necessary.

Workers have the right to demand decent wages and to expect the continued progress in wage rates that our burgeoning economy can afford. But investors have some rights, too. When wage demands try to eat up all the profits of American industry, we face either continuous inflation of prices or a slowing down of the investment which forms the basis for our productivity gains, our jobs, and for the progress in real wages that is the hallmark of our unparalleled American achievement.



OFFICE OF THE CHAIRMAN

CIVIL AERONAUTICS BOARD

WASHINGTON, D. C. 20428

July 27, 1966

EXECUTIVE

LA 6/Airlines
Transport Workers
Union

MEMORANDUM FOR: The President
The White House

FROM: Charles S. Murphy
Chairman

Charlie

I am told by American Airlines that they have received notice from the TWU that they will be struck tonight at midnight. I am also told by American Airlines that they have good reason to believe that an Emergency Board will be appointed. They make the point, quite validly I think, that substantial disruptions in service as the strike deadline nears cannot be avoided unless the Emergency Board is appointed early in the day today.

The purpose of this memorandum is to call attention to that fact and to say, if an Emergency Board is to be appointed for the American dispute, there is much to be said in favor of doing it early enough in the day to minimize disruptions in service.

L.A.G./Airline

RCS-3/L*

THE WHITE HOUSE
WASHINGTON

11:40 a. m.

MR. WATSON:

Congressman Ed^x Reinecke's office
has called, requesting that the
Congressman meet with the President
reference the air lines' strike. No
date was mentioned, only "as soon
as possible."

Carol

Nothing else sent to
Central Files as of 7/27/66
B.H.

(AIRLINES)

EXECUTIVE

LA6/airlines...

WASHINGTON--A BID TO LEGISLATE AN END TO THE 20-DAY-OLD AIRLINES STRIKE GOES BEFORE THE SENATE LABOR COMMITTEE TODAY, BUT THERE WERE INDICATIONS THE ADMINISTRATION WAS HAVING TROUBLE PROVING THE WALKOUT HAD CREATED A NATIONAL EMERGENCY.

THOUGH ANXIOUS TO END THE STRIKE, THE COMMITTEE HAS MADE IT CLEAR THAT THE ADMINISTRATION MUST CERTIFY THAT FEDERAL ACTION IS JUSTIFIED ON GROUNDS OF NATIONAL EMERGENCY BEFORE IT APPROVES ANY PRECEDENT-SETTING LEGISLATION IN THE TOUCHY FIELD OF COLLECTIVE BARGAINING.

SHORTLY AFTER THE WALKOUT BEGAN JULY 8, ROBERT C. MOOT, DEPUTY ASSISTANT SECRETARY OF DEFENSE OF LOGISTICS SERVICES, PUBLICLY PRAISED THE STRIKING INTERNATIONAL ASSOCIATION OF MACHINISTS FOR MAINTAINING ALL ESSENTIAL SERVICES.

MOOT WAS AMONG THOSE WHO WERE TO TESTIFY BEFORE THE LABOR COMMITTEE TODAY (1:30 P.M.) IN A SESSION THE ADMINISTRATION HAD POSTPONED FOR 24 HOURS TO "PREPARE THEIR CASE."

7/27--GE910A

(AIRLINES)

WASHINGTON--PRESIDENT JOHNSON TODAY ARRANGED FOR ESTABLISHMENT OF A NEW EMERGENCY BOARD TO COPE WITH A THREATENED TRANSPORT WORKERS UNION (TWU) STRIKE AGAINST AMERICAN AIRLINES, SCHEDULED TO BEGIN AT 12:01 A.M. TOMORROW.

JOHNSON LATER IN THE DAY WILL SIGN AN EXECUTIVE ORDER BRINGING THE BOARD INTO EXISTENCE AND THUS DELAYING THE STRIKE FOR AT LEAST 60 DAYS UNDER PROVISIONS OF THE RAILWAY LABOR ACT. NAMES OF THE THREE EMERGENCY BOARD MEMBERS PROBABLY WILL NOT BE AVAILABLE BEFORE TOMORROW.

THE PRESIDENT ACTED AFTER A MORNING MEETING WITH LABOR SECRETARY WIRTZ AND ASSISTANT SECRETARY JAMES REYNOLDS, BOTH OF WHOM HAVE SUPERVISED GOVERNMENT EFFORTS TO END A STRIKE BY THE MACHINISTS UNION AGAINST FIVE OTHER MAJOR AIRLINES.

WHITE HOUSE PRESS SECRETARY MOYERS DID NOT KNOW THE EXTENT TO WHICH WIRTZ AND REYNOLDS MAY HAVE CONFERRED WITH THE PRESIDENT ABOUT THE LARGER STRIKE, BUT HE DID SAY THE TWO LABOR OFFICIALS WERE AT THE WHITE HOUSE PRIMARILY TO DISCUSS THE NEW EMERGENCY BOARD.

UNDER THE LAW AND TERMS OF THE PRESIDENT'S EXECUTIVE ORDER, THE BOARD INVESTIGATING THE DISPUTE BETWEEN THE TWU AND AMERICAN WILL HAVE 30 DAYS IN WHICH TO SUBMIT SETTLEMENT RECOMMENDATIONS, FOLLOWED BY AN ADDITIONAL 30-DAY PERIOD TO PERMIT NEGOTIATIONS BETWEEN LABOR AND MANAGEMENT ON ACCEPTANCE OF EMERGENCY BOARD SUGGESTIONS.

DURING THIS 60-DAY PERIOD, THE FEDERAL LAW PROHIBITS WORK STOPPAGE OR ANY CHANGE IN CONTRACTUAL RELATIONS BETWEEN THE UNION AND THE AIRLINE.

IN THE CASE OF THE FIVE CARRIERS NOW STRUCK BY THE MACHINISTS, THE EMERGENCY BOARD PROCEDURE WAS CARRIED TO ITS LEGAL LIMITS WITHOUT AN AGREEMENT BEING REACHED.

7/27--GE1155A

UPI-68

ADD 1 AIRLINES, WASHINGTON (UPI-67)

MEANWHILE, REP. CLAUDE PEPPER, D-FLA., HAS INTRODUCED A RESOLUTION CALLING FOR A HOUSE COMMITTEE INVESTIGATION OF THE LABOR-MANAGEMENT DISPUTE THAT TOUCHED OFF THE AIRLINE STRIKE.

"COMMUNITIES IN THE STATE OF FLORIDA AND IN OTHER STATES WHICH ARE DEPENDENT ON TOURISM ARE SUFFERING TREMENDOUS ECONOMIC LOSSES AND ARE THREATENED WITH ACTUAL DEPRESSION," PEPPER SAID.

PEPPER ALSO INTRODUCED ANOTHER RESOLUTION CALLING ON PRESIDENT JOHNSON TO ATTEMPT PERSONALLY TO TRY TO BRING ABOUT A FAIR SETTLEMENT OF THE STRIKE ON THE FIVE AIRLINES.

SEVERAL OTHER FLORIDA HOUSE MEMBERS HAVE JOINED IN INTRODUCING LEGISLATION TO REQUIRE MANDATORY ARBITRATION OF THE DISPUTE.

7/27--GE1158A

UPI-73

ADD 2 AIRLINES, WASHINGTON

OFFICIALS SAID A STRIKE AGAINST AMERICAN AIRLINES WOULD AFFECT
44,000 PASSENGERS DAILY IN 43 CITIES. OF AMERICAN'S 27,000 EMPLOYEES,
10,000 ARE MEMBERS OF THE TWU.

7/27--TD1213PED

UPI-76

ADD 3 AIRLINES, WASHINGTON
THE PRESIDENT SIGNED THE EXECUTIVE ORDER SHORTLY AFTER NOON
EDT.

7/27--TD1221PED

UPI-78

ADD 4 AIRLINES, WASHINGTON

INDICATIONS WERE THAT THE ADMINISTRATION WILL TAKE A GO SLOW ATTITUDE IN ITS TESTIMONY ON STRIKE SETTLEMENT LEGISLATION BEFORE THE SENATE LABOR COMMITTEE (1:30 P.M. EDT). IN A SENATE SPEECH, SEN. WAYNE MORSE, D-ORE., URGED THAT "POLITICS" BE KEPT OUT OF THE AIRLINE DELIBERATIONS.

MORSE AMENDED HIS OWN STRIKE-SETTLEMENT BILL SO THAT IT CAN BE APPLIED MORE EASILY TO THE CURRENT AIRLINE TIE-UP EVEN IF THE ADMINISTRATION FAILS TO SHOW NATIONWIDE ECONOMIC DISLOCATIONS JEOPARDIZING THE NATIONAL HEALTH AND SAFETY. HE TOLD NEWSMEN THE CHANGE WOULD LEAVE CONGRESS FREE TO ACT "IRRESPECTIVE OF WHAT THE ADMINISTRATION DOES."

IN A SENATE SPEECH CRITICAL OF GEORGE MEANY, PRESIDENT OF THE AFL-CIO, MORSE DECLARED THAT, IN ITS CONSIDERATION OF THE AIRLINE STRIKE "CONGRESS HAS GOT TO PARK POLITICS OUTSIDE THE SENATE FLOOR AND OUTSIDE THE HOUSE FLOOR." THE REMARK SEEMED TO IMPLY THAT CONSIDERATIONS OF THE OFF-YEAR ELECTIONS HAD BECOME ENMESHED IN THE DISPUTE.

7/27--TD1226PED

UPI-85

ADD 5 AIRLINES, WASHINGTON

A SPOKESMAN FOR AMERICAN AIRLINES SAID IN NEW YORK THAT
MANAGEMENT IS "PLEASED" WITH THE PRESIDENT'S DECISION.

"WE ARE HOPEFUL WE CAN WORK OUT AN EQUITABLE SETTLEMENT," HE
SAID.

7/27--TD1252PED

UPI-95

ADD 8 AIRLINES, WASHINGTON

JUST BEFORE THE SCHEDULED OPENING OF THE LABOR COMMITTEE HEARING, SEN. JACOB K. JAVITS, R-N.Y., INTRODUCED A BILL TO REQUIRE THE LABOR SECRETARY TO SUBMIT A "PERMANENT PLAN" FOR SETTLEMENT OF DISPUTES LIKE THE AIRLINES STRIKE.

HIS MOVE WAS ENDORSED BY MORSE, WHO TOLD THE SENATE THAT IN VIEW OF PRESIDENT JOHNSON'S STATE OF THE UNION MESSAGE PROMISE OF SUCH A RECOMMENDATION "THE TIME HAS PASSED FOR THE ADMINISTRATION TO GIVE US PERMANENT LEGISLATION."

7/27--GE137P

ADD 9 AIRLINES, WASHINGTON

WIRTZ TOLD CONGRESS TODAY THE AIRLINES STRIKE HAS NOT YET CREATED A NATIONAL EMERGENCY. BUT HE SAID IT COULD IF ALLOWED TO CONTINUE ANY LENGTH OF TIME.

WIRTZ, IN TESTIMONY PREPARED FOR THE SENATE COMMITTEE SAID:

"IT IS CLEAR THAT THE IMPACT OF THE STRIKE MAY NOT YET POSE A BASIC THREAT TO THE ENTIRE ECONOMY, BUT THE SERIOUSNESS OF THE STRIKE FOR CERTAIN AREAS AND INDUSTRIES WARRANTS GRAVE CONCERN."

IN DISCUSSING THE STRIKE, WIRTZ REPORTED THAT HE HAD CONTACTED VARIOUS GOVERNMENT AGENCIES IN THE LAST 48 HOURS TO BE BROUGHT UP TO DATE ON THE IMPACT OF THE STRIKE. HE SAID THE STRIKE HAS HAD A MARKED BUT NOT LARGE SCALE EFFECT ON THE ECONOMY GENERALLY, AND WHILE IT HAS SIGNIFICANTLY SLOWED UP POSTAL SERVICE, IT HAS NOT AFFECTED THE DEFENSE OR MILITARY EFFORT MATERIALLY.

WIRTZ SAID: "THE EXTRAORDINARY RESPONSE IN TERMS OF EMERGENCY MEASURES WITHIN THE GOVERNMENT AND THROUGHOUT THE AIR TRANSPORT INDUSTRY HAS TO A REMARKABLE DEGREE MET THE ESSENTIAL NEEDS OF THE DEPARTMENT OF DEFENSE AND HAS SERVED TO MINIMIZE INCONVENIENCE AND INJURY TO THE CIVILIAN POPULATION."

HE TOOK NO FLAT STAND EITHER PRO OR CON ON VARIOUS PROPOSALS WHICH WOULD HALT THE STRIKE BY LEGISLATIVE EDICT.

"WHETHER THESE MEASURES, WITH THEIR SEVERE DEMANDS ON PHYSICAL AND HUMAN RESOURCES, CAN CONTINUE TO BE DEFECTIVE FOR LONG IS SPECULATIVE."

WIRTZ SAID THE SERVICES INVOLVED IN THE STRIKE WERE CLEARLY "ESSENTIAL" IN ANY ORDINARY SENSE OF THE TERM, THEN SUMMARIZED: "THE NATIONAL INTEREST IS PLAINLY INVOLVED -- BUT HARDLY IN THE USUAL SENSE OF NATIONAL HEALTH, SAFETY AND DEFENSE."

7/27--GE151P

ADD 10 AIRLINES, WASHINGTON

AS EXPECTED, SPOKESMEN FOR THE STRIKING MACHINISTS UNION AND THE FIVE AIRLINES INVOLVED CAME OUT IN DIRECT OPPOSITION TO EACH OTHER ON ANY STRIKE-ENDING MEASURE. THE UNION REPRESENTATIVE OPPOSED ANY LEGISLATION; THE MANAGEMENT NEGOTIATOR ADVOCATED AN EMERGENCY BILL.

WIRTZ SAID OF THE SITUATION: "I HAVE TRIED TO GIVE THE COMMITTEE TODAY'S PICTURE. TOMORROW'S WILL BE DIFFERENT, AND WORSE BY AT LEAST A LITTLE; AND MORE SO THE NEXT DAY."

"WE ARE CONFRONTED WITH A SERIOUS, SUBSTANTIAL, ADVERSE IMPACT ON THE NATIONAL INTEREST, AN IMPACT WHICH, HOWEVER, HAS NOT YET BROUGHT THE COUNTRY TO AN EMERGENCY STAGE. HOWEVER, ANY PROLONGATION OF THE CURRENT STRIKE, BY INCREASING THE STRAIN ON EXISTING SERVICES, AND BY MULTIPLYING THE CURRENT DELAYS AND INCONVENIENCES MAY WELL BRING THE NATION TO THAT CRISIS, EMERGENCY STAGE."

OPPOSITE VIEWS WERE PRESENTED BY WILLIAM J. CURTIN, CHIEF NEGOTIATOR FOR THE FIVE GROUNDED AIRLINES, AND SIEMILLER.

7/27--GE205P

UPI-105

ADD 11 AIRLINES, WASHINGTON

WILLIAM J. HARTIGAN, ASSISTANT POSTMASTER GENERAL FOR TRANSPORTATION, TESTIFIED THAT THE STRIKE HAS CAUSED DELAYS OF "UP TO 24 HOURS" AND IN SOME SPECIAL CASES "AS MUCH AS 48 HOURS" IN HANDLING AIR MAIL.

7/27--GE207P

UPI-109

CORRECTION:

IN ADD 9 AIRLINES, WASHINGTON (UPI-98) READ IN 7TH PGH: X X X CAN
CONTINUE TO BE EFFECTIVE FOR LONG IS SPECULATIVE," X X X

UPI-112

ADD 12 AIRLINES WASHINGTON

WIRTZ PROPOSED TODAY THAT THE SENATE LABOR COMMITTEE INSIST ON RENEWED NEGOTIATIONS IN THE AIRLINE STRIKE AND SET A DEADLINE FOR PROGRESS IN THE BARGAINING.

WIRTZ SAID THAT THE TIEUP OF FIVE MAJOR AIRLINES "HAS NOT YET BROUGHT THE COUNTRY TO WHAT I SUPPOSE MOST OF US WOULD THINK OF AS AN EMERGENCY STAGE."

WIRTZ SAID, HOWEVER, THAT THE SITUATION WILL GET WORSE DAY BY DAY AND THAT THE CUMULATIVE EFFECT "MAY WELL BRING THE NATION TO THAT CRISIS EMERGENCY STAGE AT SOME POINT."

7/27--RM223PED

(RELEASE AT 1:30 P.M., EDT)

ADD 6 AIRLINES, WASHINGTON

THE PRESIDENT OF THE STRIKING AIRLINES MACHINISTS UNION WARNED CONGRESS TODAY THE MORSE RESOLUTION TO FORCE HIS MEN BACK TO WORK WAS "SYMPTOMATIC OF AN UNHEALTHY CONCEPT OF FREEDOM."

P.L. (ROY) SIEMILLER, PRESIDENT OF THE IAM, IN REAMRKS PREPARED FOR DELIVERY BEFORE THE SENATE LABOR COMMITTEE, SAID THE ISSUES IN THE UNION STRIKE AGAINST THE AIRLINES WERE IDENTICAL TO THE ISSUES CONFRONTING THE NATION IN SOUTHEAST ASIA.

"WE BELIEVE 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 WESTERN WORLD," SIEMILLER SAID.

SIEMILLER SAID "IT IS OUR UNDERSTANDING THAT THIS HEARING IS FOR THE SOLE PURPOSE OF DETERMINING WHETHER, IN FACT, A NATIONAL EMERGENCY EXISTS."

SIEMILLER SAID THE FACTS SHOW ONLY THREE PER CENT OF ALL INTERCITY TRANSPORTATION IS AFFECTED BY THE STRIKE. "NOR IS THE NATIONAL DEFENSE IMPERILED BY THIS STRIKE," SIEMILLER SAID. "CONTRACTS BETWEEN THE STRUCK CARRIERS AND THE MILITARY AIRLIFT COMMAND (MAC) ARE STILL IN EFFECT. ALL MAC FLIGHTS ARE STILL BEING SERVICED."

"WE DO NOT BELIEVE THAT THE FACTS WARRANT ANY FINDING THAT THIS STRIKE HAS IMPERILED THE NATIONAL HEALTH OR SAFETY," SIEMILLER SAID. "ON THE CONTRARY, WE ARE FEARFUL THAT IF THIS RESOLUTION SHOULD BE ENACTED, THE WELFARE OF THE UNITED STATES AND ITS HERITAGE OF FREEDOM WILL, IN FACT, BE IMPAIRED."

SIEMILLER SAID HIS UNION DID NOT BELIEVE THE RIGHT TO STRIKE COULD ONLY BE RECOGNIZED IN CASES WHERE A STRIKE IS INEFFECTIVE OR NO ONE IS INCONVENIENCED.

"WE SINCERELY REGRET THAT 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."

THE UNION PRESIDENT SAID THAT UNDER OTHER CIRCUMSTANCES, IT MIGHT HAVE BEEN POSSIBLE FOR THE GOVERNMENT TO SUPPRESS THE STRIKE. "IN ANOTHER AGE," SIEMILLER SAID, "A GREAT DICTATOR BECAME FAMOUS FOR MAKING ITALIAN RAILROADS RUN ON TIME. I DOUBT THAT IS A SYSTEM MANY AMERICANS WOULD CARE TO LIVE UNDER."

SIEMILLER SAID THAT IF AND WHEN CONDITIONS REQUIRE DRASTIC ACTION FOR ECONOMIC STABILITY, THE UNION STANDS READY TO COOPERATE.

"I PLEAD WITH YOU TO REALIZE THAT ANY STABILIZATION PLAN WHICH SEEKS TO CONTROL PERSONAL INCOME MUST BE FAIR; IT MUST APPLY EQUALLY TO ALL FORMS OF PERSONAL INCOME--INCLUDING SALARIES, COMMISSIONS, BONUSES AND DIVIDENDS AS WELL AS WAGE RATES. TO SINGLE OUT WAGE RATES FOR CONTROL WHEN OTHER FORMS OF PERSONAL INCOME ARE UNCONTROLLED IS DISCRIMINATORY," SIEMILLER SAID.

7/27--TD113PED

ADD 7 AIRLINES, WASHINGTON

MORSE'S ANTI-STRIKE BILL, AIMED ONLY AT THE CURRENT DISPUTE, WOULD PUT THE AIRLINES BACK TO WORK WHILE MANAGEMENT AND UNION NEGOTIATORS WENT BACK TO THE BARGAINING TABLE FOR ANOTHER 180 DAYS WITH A NEW EDUCATION BOARD. IN AMENDING IT TODAY, MORSE JUNKED A PROPOSED CONGRESSIONAL FINDING THAT THE STRIKE THREATENS TRANSPORTATION SERVICES ESSENTIAL TO THE NATIONAL INTEREST AND SUBSTITUTES A PROPOSED FINDING THAT THE TIE UP THREATENS TO INTERRUPT COMMERCE AND DEPRIVE SECTIONS OF THE NATION OF VITAL SERVICES.

THE ORIGINAL LANGUAGE RESEMBLES THAT OF THE TAFT-HARTLEY LABOR LAW AND MORSE SAID IT WAS INCLUDED, INADVERTENTLY, IN THE BILL WHICH WAS WRITTEN WITH THE HELP OF THE JUSTICE DEPARTMENT'S DRAFTING AIDES. MORSE SAID THE NEW VERSION WAS DRAFTED ON HIS OWN AND PATTERNED ON THE RAILWAY LABOR ACT. AMONG OTHER THINGS, IT ELIMINATES ANY POSSIBLE IMPLICATION THAT A PRESIDENTIAL FINDING OF A NATIONAL EMERGENCY WOULD BE A NECESSARY PRELUDE TO EMERGENCY ACTION BY CONGRESS.

THE AMENDED PROPOSAL ALSO FOCUSES ON THE REGIONAL IMPACT OF THE STRIKE IN SUCH AREAS AS THE PACIFIC NORTHWEST WHICH, AS MORSE HAS NOTED, IS SERVED BY TWO COAST-TO-COAST AIRLINES, BOTH OF WHICH ARE PRESENTLY ON STRIKE.

MORSE SAID THE EFFECT OF HIS AMENDMENT WOULD BE TO "COUNTER ANY ATTEMPT BY THIS ADMINISTRATION TO SAY THAT IT IS NOT A NATIONAL EMERGENCY."

MORSE, THOUGH HE WOULD NOT DISCUSS THE SUBSTANCE OF THE TALK WITH NEWSMEN, IS KNOWN TO HAVE MET WITH THE PRESIDENT AT THE WHITE HOUSE LAST NIGHT. INDICATIONS--INCLUDING THOSE IN THE SENATORS SPEECH, WERE THAT THE PRESIDENT TOOK A HANDS-OFF POLICY WITH RESPECT TO HIS NEW BILL.

IN DISCUSSING HIS NEW BILL WITH NEWSMEN MORSE DECLINED TO CONFIRM OR DENY--OR OTHERWISE DISCUSS--REPORTS THAT PRESIDENT JOHNSON HAD AN UNANNOUNCED MEETING EARLIER THIS WEEK WITH MEANY AND SIEMILLER, AT WHICH THE IMPLICATIONS OF A CONGRESSIONAL STRIKE BILL WERE DISCUSSED.

IN HIS SENATE SPEECH, MORSE AGAIN STRESSED THAT A STRIKE SETTLEMENT ON THE BASIS OF THE UNION'S DEMANDS WOULD MEAN AN AVERAGE PAY INCREASE OF SEVEN TO EIGHT PER CENT WITH RESULTS IN OTHER INDUSTRIES WHICH WOULD ADD UP TO "NOT AN INFLATIONARY SPIRAL--AN INFLATIONARY TORNADO."

7/27--TD121PED

UPI-117

ADD 13 AIRLINES, WASHINGTON

THE SECRETARY PROPOSED THE CONGRESSIONAL MANDATE FOR FURTHER NEGOTIATIONS AFTER SEN. JACOB K. JAVITS, R-N.Y., ASKED WHETHER THE ADMINISTRATION FAVORED "ANY LEGISLATION BY THE CONGRESS IN THE AIRLINE STRIKE?"

WIRTZ, WHO HAD TESTIFIED FROM A PREPARED STATEMENT, THEN PRODUCED A THREE-PAGE SUPPLEMENT PROPOSING WHAT HE CALLED "AN ALTERNATIVE INTERIM COURSE" RELYING ON "THE FORCE OF PUBLIC OPINION."

"I SUGGEST THAT THE VERY CONSIDERABLE INFLUENCE OF THIS RESPECTED COMMITTEE BE MADE A FORCE FOR THE PROMPT SETTLEMENT OF THIS DISPUTE BY RESPONSIBLE BARGAINING AND BY MEDIATION," WIRTZ SAID.

"THIS COULD INCLUDE YOUR INSISTENCE UPON IMMEDIATE RESUMPTION OF NEGOTIATIONS -- WHICH HAVE BEEN, AS A PRACTICAL MATTER, RECESSED FOR THE PERIOD OF THIS LEGISLATIVE CONSIDERATION. THIS WOULD INCREASE THE PROSPECTS OF BARGAINING WHICH RECOGNIZES, AS PRESIDENT JOHNSON POINTED OUT LAST WEEK, THAT 'THE RIGHT TO BARGAIN COLLECTIVELY CARRIES THE DUTY TO BARGAIN CONSTRUCTIVELY.'

"IT COULD INCLUDE YOUR INSTRUCTION THAT I REPORT BACK TO THIS COMMITTEE, AT AN EARLY TIME SPECIFIED BY YOU, EITHER THE FACT OF AN AGREEMENT BETWEEN THESE PARTIES OR THE REASON FOR THERE NOT BEING ONE.

"THE PUBLIC, THROUGH THE CONGRESS, IS ENTITLED TO SET A DEADLINE ON THE RECOGNITION OF ITS INTERESTS HERE AS ABOVE THOSE OF THE PARTIES -- IF THERE IS A CONTINUING CONFLICT."

7/27--RH241PED

UPI-121

ADD 14 AIRLINES, WASHINGTON

MEANWHILE, SENATE REPUBLICANS MADE PUBLIC A RESOLUTION APPROVED YESTERDAY WHICH SAID THE AIRLINES STRIKE "REPRESENTS A RAPIDLY DEVELOPING CRISIS" AND URGED THAT "BOTH THE CONGRESS AND THE PRESIDENT TAKE SUCH STEPS AS ARE NECESSARY" TO RESTORE AIR SERVICE IMMEDIATELY AND FULLY.

IT RESOLVED FINALLY THAT "SINCE LEGISLATION CLEARLY APPEARS TO BE NEEDED, CONGRESS BE PROMPTLY INFORMED OF THE ADMINISTRATION'S PRESENT RECOMMENDATIONS SO THAT IT CAN TAKE IMMEDIATE ACTION."

THE RESOLUTION NOTED THAT PRESIDENT JOHNSON PROMISED IN JANUARY TO ASK CONGRESS FOR LEGISLATION TO DEAL WITH STRIKES THREATENING THE NATIONAL INTEREST BUT "HAS NOT DONE SO." IT ADDED:

"TO DATE HE HAS NOT USED THE FULL POWER OF HIS OFFICE TO DEAL WITH THE CURRENT AIRLINE STRIKE AND WE URGE THAT HE MEET HIS RESPONSIBILITY PROMPTLY."

7/27--RH256PED

UPI-126

ADD 15 AIRLINES, WASHINGTON

THE IDEA, WIRTZ SAID, WAS THAT THE INTERNATIONAL ASSOCIATION OF MACHINISTS (IAM) AND THE FIVE STRUCK AIRLINES -- UNITED, EASTERN, TRANS WORLD, NATIONAL AND NORTHWEST -- SHOULD BE "SENT BACK TO THE WOODSHED."

"YOU MEAN IF IT ISN'T SETTLED WE'LL BRING THE PADDLE TO THE WOODSHED," SUGGESTED SEN. LISTER HILL-, D-ALA., THE COMMITTEE CHAIRMAN.

WIRTZ SAID THE PURPOSE OF HIS PROPOSAL WAS TO TRY ONCE AGAIN FOR A PROMPT SETTLEMENT THROUGH COLLECTIVE BARGAINING.

7/27--RH338PED

UPI-131

ADD 16 AIRLINES, WASHINGTON

ASKED HOW MUCH MORE TIME THE NEGOTIATORS SHOULD BE GIVEN, WIRTZ SUGGESTED THAT HE COULD MAKE AN INTERIM REPORT BY FRIDAY, SAYING EITHER THAT NOTHING SEEMED TO BE POSSIBLE OR THAT THE SITUATION APPEARED TO WARRANT ADDITIONAL BARGAINING -- PERHAPS, THROUGH THE WEEKEND.

HE PROMISED TO REPORT FULLY AND CONTINUOUSLY TO THE COMMITTEE ON PROGRESS. HE DECLINED, HOWEVER, TO SAY WHAT ACTION HE WOULD FAVOR IF NO SETTLEMENT WERE REACHED.

7/27--RH359PED

ADD AIRLINES, WASHINGTON (UPI----

BOTH REPUBLICANS AND DEMOCRATS ON THE COMMITTEE PRESSED WIRTZ WITH QUESTIONS ABOUT PRESIDENT JOHNSON'S ROLE IN THE DISPUTE AND, SPECIALLY WHY THE PRESIDENT HAS NOT CALLED THE PARTIES TO THE WHITE HOUSE TO DEMAND A SETTLEMENT.

WIRTZ SAID THE PRESIDENT "HAS DONE EVERYTHING THAT COULD BE EXPECTED UNDER THE CIRCUMSTANCES." HE SAID CONGRESSIONAL ACTION SHOULD NOT BE CONDITIONED ON THE SINGLE FACTOR OF A WHITE HOUSE SESSION FOR THE DISPUTING PARTIES.

SEN. CLAIBORNE PELL, D-R.I., SAID HE THOUGHT IT WOULD BE "MORE EXTRAORDINARY FOR THE CONGRESS TO TAKE ACTION THAN IT WOULD BE FOR THE PRESIDENT TO INTERVENE."

SEN. EDWARD M. KENNEDY SAID HE SHARES PELL'S VIEW.

WIRTZ COMMENTED, HOWEVER, THAT IN TIMES OF CRISIS MATTERS OF PRIORITY MUST BE DETERMINED BY THE PRESIDENT. HE COMMENTED AT ONE POINT: "I HESITATE TO CALL THE PRESIDENT OF THE UNITED STATES ABOUT THIS CASE WHEN I KNOW WHAT IS GOING ON IN VIET NAM."

SEN. JOSEPH S. CLARK, D-PA., ENDED ONE SUCH EXCHANGE BY SAYING THAT THE LEGISLATIVE RESPONSIBILITY IS VESTED IN CONGRESS AND "I DON'T THINK WE SHOULD PASS THE BUCK TO THE PRESIDENT."

WIRTZ THANKED CLARK FOR THAT COMMENT AND SAID HE AGREED THAT IT WAS "INTOLERABLE VIEW" TO SAY THAT "THE LEGISLATIVE PROCESS AWAITS THE PRESIDENT CALLING THE PARTIES IN A DISPUTE TO THE WHITE HOUSE."

WIRTZ GAVE IT AS HIS GENERAL VIEW THAT "THE SMALLER THE NUMBER OF CASES THAT GO TO THE WHITE HOUSE" THE LESS WILL BE THE NUMBER OF CRITICAL LABOR DISPUTES.

THE SECRETARY AGREED WITH KENNEDY, HOWEVER, THAT THE AIRLINE CASE IS COMPLICATED BECAUSE OF THE ADMINISTRATION'S WAGE GUIDELINES.

7/27--MJ418PED

6
AIRLINES

WASHINGTON (AP)-CONGRESS STARTS CONSIDERING TODAY WHETHER THE 20-DAY AIRLINES STRIKE IS A NATIONAL EMERGENCY OR JUST A MULTIMILLION DOLLAR NUISANCE.

WITNESSES FOR THE FIVE GROUNDED AIRLINES, THE STRIKING MACHINISTS' UNION AND THE DEFENSE, LABOR AND POST OFFICE DEPARTMENTS OPEN A SENATE HEARING ON SPECIAL LEGISLATION TO HALT THE STRIKE.

"I THINK IT DOES CONSTITUTE AN EMERGENCY," SAID SENATE DEMOCRATIC LEADER MIKE MANSFIELD OF MONTANA, WHO APPEARED READY TO SEEK QUICK PASSAGE IF THE SENATE LABOR COMMITTEE VOTES OUT A STRIKE-STOPPING BILL.

BUT PRESIDENT P. L. (ROY) SIEMILLER OF THE AFL-CIO INTERNATIONAL ASSOCIATION OF MACHINISTS COMPLAINED "THE CONTINUED INTERFERENCE BY THE LEGISLATIVE BRANCH OF GOVERNMENT IS DELAYING THE FINAL TIME WHEN AGREEMENT CAN BE REACHED."

CHIEF AIRLINES NEGOTIATOR WILLIAM J. CURTIN IS EXPECTED TO TELL THE COMMITTEE THAT THE STRIKE IS "AN URGENT NATIONAL PROBLEM" AND THAT CONGRESS SHOULD ACT TO END IT.

AFL-CIO PRESIDENT GEORGE MEANY ISSUED A STATEMENT SUPPORTING THE MACHINISTS' STAND THAT WHILE THE STRIKE IS INCONVENIENCING THE TRAVELING PUBLIC, IT PRESENTS NO THREAT TO THE NATION'S WELFARE OR TO NATIONAL DEFENSE. MEANY, WHO URGED DEFEAT OF ANY STRIKE LEGISLATION, IS NOT A WITNESS.

THE GOVERNMENT'S STAR WITNESS IS SECRETARY OF LABOR W. WILLARD WIRTZ. THE LABOR DEPARTMENT DECLINED TO SAY WHAT LINE OF ARGUMENT HE WOULD TAKE, BUT INDICATIONS WERE THAT WIRTZ WOULD REPORT SERIOUS STRIKE EFFECTS ON THE NATION'S ECONOMY.

LT927AED 7/27

AIRLINES (TOPS 6)

WASHINGTON, (AP)-THE WHITE HOUSE ANNOUNCED PRESIDENT JOHNSON WILL SET UP AN EMERGENCY BOARD TODAY TO POSTPONE FOR 60 DAYS A THREATENED STRIKE AGAINST AMERICAN AIRLINES BY MEMBERS OF THE TRANSPORT WORKERS UNION.

IN THE ABSENCE OF SUCH ACTION, UNION MEMBERS WOULD HAVE BEEN FREE TO STRIKE AT 12:01 A.M. TOMORROW.

THE ANNOUNCEMENT CAME SHORTLY BEFORE A SENATE COMMITTEE STARTED HEARING TESTIMONY ON A 20-DAY STRIKE AGAINST FIVE OTHER AIRLINES, TO DETERMINE WHETHER LEGISLATION IS NEEDED TO FORCE A SETTLEMENT.

BILL D. MOYERS, WHITE HOUSE PRESS SECRETARY, SAID JOHNSON WOULD SIGN AN EXECUTIVE ORDER CREATING THE THREE-MEMBER BOARD IN ADVANCE OF THE STRIKE DEADLINE. HE SAID THE NAMES OF BOARD MEMBERS WOULD BE ANNOUNCED WITHIN 24 HOURS.

UNDER THE NATIONAL RAILWAY LABOR ACT, THE BOARD WILL STUDY THE ISSUES BETWEEN THE AIRLINE AND THE UNION AND WITHIN 30 DAYS SUBMIT RECOMMENDATIONS AIMED AT PROMOTING A COMPROMISE SETTLEMENT.

ANOTHER 30-DAY PERIOD WILL FOLLOW IN WHICH PARTIES TO THE DISPUTE WILL BE FREE TO STUDY THE BOARD'S FINDINGS AND, PERHAPS, NEGOTIATE AN AGREEMENT.

THAT PROCEDURE ALREADY HAS BEEN COMPLETED WITHOUT SETTLEMENT OF THE STRIKE OF THE AFL-CIO INTERNATIONAL ASSOCIATION OF MACHINISTS AGAINST FIVE AIRLINES.

PE1202PED 7/27

AIRLINES (TOPS 55)

WASHINGTON (AP)-PRESIDENT JOHNSON BLOCKED A STRIKE THREAT AGAINST A SIXTH MAJOR AIRLINE TODAY WHILE CONGRESS STUDIED WHETHER THE 20-DAY WALKOUT AGAINST FIVE OTHERS HAS CREATED A NATIONAL EMERGENCY.

JOHNSON ORDERED CREATION OF AN EMERGENCY BOARD TO STUDY A DISPUTE BETWEEN AMERICAN AIRLINES AND THE AFL-CIO TRANSPORT WORKERS UNION. THE UNION OTHERWISE WOULD HAVE BEEN FREE TO STRIKE AFTER MIDNIGHT TONIGHT. CREATION OF THE BOARD AUTOMATICALLY DELAYED THE STRIKE THREAT FOR 60 DAYS.

THE ACTION CAME SHORTLY BEFORE THE SENATE LABOR COMMITTEE WAS TO OPEN HEARINGS ON THE STRIKE BY THE AFL-CIO INTERNATIONAL ASSOCIATION OF MACHINISTS GROUNDING ABOUT 60 PER CENT OF THE NATION'S AIR TRAFFIC.

SEN. WAYNE MORSE, D-ORE., WHO IS SPONSORING LEGISLATION TO BRING A QUICK END TO THAT STRIKE, REVISED THE BILL HE HAD PROPOSED IN AN APPARENT EFFORT TO EASE ACTION. THEN HE DEMANDED THAT CONGRESS "PARK POLITICS OUTSIDE" AND ORDER THE STRIKE ENDED.

MORSE'S BILL WOULD FORCE A SIX-MONTH HALT TO THE WALKOUT, WHILE MEDIATORS SEEK A SETTLEMENT. AS INTRODUCED IT WOULD HAVE REQUIRED A FINDING THAT THE NATIONAL HEALTH AND SAFETY WERE IMPERILED BY THE STRIKE.

HE ALTERED IT TODAY TO REQUIRE ONLY A FINDING THAT ESSENTIAL TRANSPORTATION SERVICES HAVE BEEN HALTED IN PARTS OF THE COUNTRY.

WHITE HOUSE PRESS SECRETARY BILL D. MOYERS SAID MEMBERS OF THE EMERGENCY BOARD IN THE AMERICAN AIRLINES DISPUTE WILL BE NAMED WITHIN 24 HOURS.

SR1247PED 7/27

PLANES

NEW YORK, (AP)-THE \$3-BILLION FLEET OF GROUNDED PLANES OF THE FIVE STRUCK AIRLINES IS BEING KEPT IN SHAPE TO TAKE-OFF AS SOON AS THE MACHINISTS' STRIKE ENDS BY SUPERVISORY MAINTENANCE PERSONNEL WORKING ROUND THE CLOCK.

AIRLINES ARE CLEANED REGULARLY INSIDE AND OUT, ENGINES ARE BEING CHECKED AND THE PLANES MOVED TO PREVENT DEVELOPMENT OF FLATTENED AREAS IN THE HUGE TIRES.

MOST OF THE 735 AIRCRAFT ARE OUTDOORS AT AIRPORTS, BUT SOME ARE SHELTERED IN HANGARS. THE AIRCRAFT BELONG TO EASTERN, NATIONAL, NORTHWEST, TRANS WORLD AND UNITED AIRLINES.

ALL FIVE STRUCK AIRLINES HAVE CREWS LOOKING AFTER THE PLANES. FOR EXAMPLE, EASTERN AIR LINES, WHICH HAS 183 AIRLINERS SCATTERED IN 13 KEY CITIES, KEEPS SOME 1,000 SUPERVISORY PERSONNEL LOOKING AFTER THE PLANES.

PE1219PED 7/27

BULLETIN

AIRLINES STRIKE (TOPS 69)

WASHINGTON (AP)-SECRETARY OF LABOR W. WILLARD WIRTZ SAID TODAY THE 20-DAY AIRLINE STRIKE HAS NOT YET BROUGHT THE COUNTRY TO AN EMERGENCY STAGE BUT ANY PROLONGATION "MAY WELL BRING THE NATION TO THAT CRISIS, EMERGENCY STAGE."SR136PED 7/27

89

WASHINGTON--ADD AIRLINES (88)

WIRTZ, TESTIFYING AT A SENATE HEARING ON WHETHER A NATIONAL EMERGENCY REQUIRING SPECIAL LEGISLATION TO HALT THE STRIKE EXISTS, SAID THE STRIKE HAS CAUSE "GRAVE CONCERN" IN CERTAIN AREAS AND INDUSTRIES OF THE NATION.

HE SAID THE STRIKE BY THE AFL-CIO INTERNATIONAL ASSOCIATION OF MACHINISTS AGAINST FIVE MAJOR AIRLINES THAT NORMALLY CARRY SOME 60 PER CENT OF THE NATION'S AIR TRAFFIC UNQUESTIONABLY HAS HAD A SERIOUS IMPACT ON THE COMPANIES AND ON SOME 66,000 IDLED EMPLOYEES.

"IT HAS CAUSED EXTENSIVE DISRUPTION AND INCONVENIENCE IN AIR TRAVEL AND TRANSPORT GENERALLY," WIRTZ SAID.

"IT HAS HAD A MARKED BUT NOT LARGE-SCALE EFFECT ON THE ECONOMY GENERALLY," HE ADDED.

THE SENATE HEARING TO UNDER WAY SHORTLY AFTER PRESIDENT JOHNSON HAD BLOCKED A SEPARATE STRIKE THREAT AGAINST A SIXTH MAJOR AIR CARRIER.

SR140PED 7/27

BULLETIN

AIRLINES (TOPS 89)

WASHINGTON (AP)-SECRETARY OF LABOR W. WILLARD WIRTZ ADVISED CONGRESS TODAY NOT TO PASS LEGISLATION TO FORCE AN END TO THE AIRLINE STRIKE.

SR222PED 7/27

106

WASHINGTON--ADD AIRLINES (105)

"I URGE THAT FREE COLLECTIVE BARGAINING BE GIVEN A LAST CLEAR CHANCE TO WORK," WIRTZ TOLD A CROWDED SENATE HEARING ON THE IMPACT OF THE 20-DAY WALKOUT.

HE SAID THE SENATE LABOR COMMITTEE SHOULD USE ITS INFLUENCE TO SEEK A QUICK SETTLEMENT THROUGH BARGAINING AND MEDIATION.

"THIS COULD INCLUDE YOUR INSISTENCE UPON IMMEDIATE RESUMPTION OF NEGOTIATIONS --WHICH HAVE BEEN, AS A PRACTICAL MATTER, RECESSED FOR THE PERIOD OF THIS LEGISLATIVE CONSIDERATION," WIRTZ SAID.

EARLIER IN HIS COMMITTEE APPEARANCE WIRTZ SAID THE WALKOUT AGAINST FIVE MAJOR AIRLINES HAS NOT YET BROUGHT THE COUNTRY TO AN EMERGENCY STATE BUT ANY PROLONGATION "MAY WELL BRING THE NATION TO THAT CRISIS, EMERGENCY STAGE."

SR225PED 7/27

WASHN--ADD AIRLINES (106)

"THE COMMITTEE HAS REQUESTED ONLY THAT I PRESENT FACTS WITH RESPECT TO WHETHER AN EMERGENCY EXISTS," WIRTZ SAID.

HE SAID ACTIONS TAKEN BY THE GOVERNMENT UNDER INSTRUCTIONS FROM JOHNSON SINCE THE STRIKE STARTED JULY 8, AND MEASURES TAKEN THROUGHOUT THE AIR TRANSPORT INDUSTRY, HAVE "TO A REMARKABLE DEGREE MET THE ESSENTIAL NEEDS OF THE DEPARTMENT OF DEFENSE AND...

SERVED TO MINIMIZE INCONVENIENCE AND INJURY TO THE CIVILIAN POPULATION."

HOWEVER, HE ADDED, "WHETHER THESE MEASURES, WITH THEIR SEVERE DEMANDS ON PHYSICAL AND HUMAN RESOURCES, CAN CONTINUE TO BE EFFECTIVE FOR LONG IS SPECULATIVE."

ONE QUESTION, HE POINTED OUT, IS HOW LONG THE OPERATING LINES, WHICH HAVE BEEN ALLOWED TO EXPAND SERVICE, CAN MAINTAIN THAT OPERATING LEVEL UNDER THE RULES LIMITING CREW FLYING TIME.

WIRTZ SAID HE HAD RECEIVED MORE THAN 2,000 TELEGRAMS AND LETTERS FROM MEMBERS OF CONGRESS, FROM GOVERNORS AND MAYORS AND OTHER STATE AND COUNTY OFFICIALS, FROM BUSINESSMEN, TRADE ASSOCIATIONS AND PRIVATE CITIZENS--"ALL EXPRESSING CONCERN OVER THIS DISPUTE."

CZ325PED 7/27

WASHN--ADD AIRLINES (128)

HE SAID "FROM THEIR TONE AND CONTENT THEY REFLECT THE VIEW THAT, FROM THE PERSPECTIVE OF THE INDIVIDUAL CITIZEN OR THE PUBLIC OFFICIAL AT ALL LEVELS OF GOVERNMENT, THIS STRIKE CONSTITUTES SOMETHING FAR MORE THAN MERE INCONVENIENCE. MORE THAN HALF OF THEM PLEAD FOR SOME FORM OF GOVERNMENTAL ACTION TO ACCOMPLISH AN IMMEDIATE RESUMPTION OF OPERATIONS."

"THE 'NATIONAL INTEREST' IS PLAINLY INVOLVED--BUT HARDLY IN THE USUAL SENSE OF 'NATIONAL HEALTH, SAFETY AND DEFENSE,'" WIRTZ SAID.

PRESIDENT P. L. (ROY) SIEMILLER OF THE STRIKING UNION ARGUED THERE IS NO NATIONAL EMERGENCY.

"I AM CONFIDENT THAT IF THIS (EMERGENCY LEGISLATION) IS REJECTED, THESE FIVE AIR CARRIERS WILL RETURN TO THE BARGAINING TABLE AND A SETTLEMENT WILL BE POSSIBLE," SIEMILLER SAID.

"THIS IS A LEGAL STRIKE FOR LEGITIMATE ECONOMIC OBJECTIVES. IT IS ALSO A PEACEFUL AND ORDERLY STRIKE."

CZ328PED 7/27

AIRLINES (TOPS 129)

WASHINGTON, (AP)-SECRETARY OF LABOR W. WILLARD WIRTZ URGED CONGRESS TODAY TO DROP PROPOSED EMERGENCY LEGISLATION TO END THE AIRLINE STRIKE AND ORDER NEGOTIATORS "BACK TO THE WOODSHED" OF COLLECTIVE BARGAINING.

AND HE AGREED WITH A SUGGESTION THE DISPUTANTS SHOULD BE TOLD IF THEY DID NOT SETTLE "WE'LL BRING THE PADDLE."

WIRTZ, WHO SAID HIS RECOMMENDATION REFLECTED THE VIEWS OF PRESIDENT JOHNSON, SAID AN EMERGENCY LAW TO HALT THE 20-DAY STRIKE GROUNDING FIVE MAJOR AIRLINES COULD BE TAKEN UP AGAIN IF HIS PROPOSAL DIDN'T WORK.

"I THINK THEY OUGHT TO BE SENT BACK TO THE WOODSHED," WIRTZ SAID OF NEGOTIATORS FOR THE AIRLINES AND THE STRIKING AFL-CIO INTERNATIONAL ASSOCIATION OF MACHINISTS.

CHAIRMAN LISTER HILL, D-ALA., OF THE SENATE LABOR COMMITTEE ASKED IF WIRTZ MEANT THAT "THIS TIME WE COULD SAY IF THEY DIDN'T SETTLE IT, WE'D BRING THE PADDLE TO THE WOODSHED."

WIRTZ AGREED, ADDING "AND WE WOULDN'T TELL THEM WHICH PADDLE."
EG358PED 7/27

138

WASHINGTON--ADD AIRLINES (137)

THE WIRTZ TESTIMONY CAME AT A COMMITTEE HEARING ON WHETHER THE STRIKE GROUNDING 60 PER CENT OF THE NATION'S AIR TRAFFIC CONSTITUTES A NATIONAL EMERGENCY REQUIRING A SPECIAL LAW TO HALT IT.

WIRTZ SAID STRIKE EFFECTS ARE SERIOUS BUT DO NOT AT THE MOMENT THREATEN THE NATION'S HEALTH, SAFETY OR DEFENSE. BUT HE SAID ANY PROLONGATION MIGHT BRING SUCH A CRISIS.

WIRTZ DEFENDED PRESIDENT JOHNSON AGAINST REPUBLICAN QUERIES ABOUT WHY THE TALKS HAVE NOT BEEN MOVED TO THE WHITE HOUSE AS IN SOME PAST LABOR DISPUTES.

"WHY HASN'T HE CALLED IN THE PARTIES," ASKED SEN. JACOB JAVITS, R-N.Y.

WIRTZ SAID IT WOULD NOT BE "FRUITFUL" FOR HIM TO SPEAK FOR JOHNSON, BUT HIS PERSONAL VIEW IS THE STRIKE DOES NOT WARRANT WHITE HOUSE TALKS.

"I THINK IT WOULD BE A GREAT DANGER IF EVERY LABOR DISPUTE GOES TO THE WHITE HOUSE FOR SETTLEMENT," WIRTZ SAID.

EG&CZ403PED 7/27

EXECUTIVE

LA6/Airlines

LG/Salt Lake City/PR14

July 28, 1966

FOR Secretary Wirtz

FROM Joe Califano

Would you please respond to the attached
on the President's behalf and furnish my
office with a copy of your replies.

Attachs. (Letters re airline strike)

*Hogensen, Herman J.
*Lee, J. Bracken
*Adams, A.C.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

July 25, 1966

TO: Joseph A. Califano, Jr.

FROM: Clifford L. Alexander, Jr. *ca*

The attached letter to the President, dated July 21, 1966, from Salt Lake City Recorder Herman J. Hogensen, encloses a resolution requesting that the President exert every possible effort to restore full airline service immediately.

Attachment

Mr. President:

The attached Resolution memorializing the President and Congress of the United States to exert every possible effort to restore full airline service immediately and to insure a fair and equitable settlement of the airline strike was duly adopted by the Board of City Commissioners of Salt Lake City, Utah, on July 19, 1966.

Respectfully yours,

Herman J. Hogensen

RJA:pb

1966 JUL 25 PM 2 51

JOE CALIFANO
RECEIVED

SALT LAKE CITY CORPORATION

HERMAN J. HOGENSEN
CITY RECORDER

OFFICE OF
CITY RECORDER
200 CITY & COUNTY BUILDING
SALT LAKE CITY, UTAH 84111

EL RITA M. BEESLEY
CHIEF DEPUTY

July 21, 1966

CA
The President
The White House
Washington 25, D. C.

Mr. President:

The attached Resolution memorializing the President and Congress of the United States to exert every possible effort to restore full airline service immediately and to insure a fair and equitable settlement of the airline strike was duly adopted by the Board of City Commissioners of Salt Lake City, Utah, on July 19, 1966.

Respectfully yours,

Herman J. Hogensen
City Recorder

HJH:pb

R E S O L U T I O N

WHEREAS, prolonged negotiations are still in progress between the International Association of Machinists and Eastern Air Lines, National Air Lines, Northwest Orient Airlines, Trans-World Airlines and United Air Lines for a contract; and,

WHEREAS, the dispute between the International Association of Machinists and the five airlines involved has grounded 60% of the domestic airlift in the United States; and,

WHEREAS, on July 27, the Transport Workers Union will be free to strike American Air Lines which would shut down 80% of the nation's air service and a month later this union will be free to strike Pan American Airways; and,

WHEREAS, diversion of the International passengers normally carried by Northwest Orient Airlines and Trans-World Airlines to foreign flag airlines increases the deficit of the United States international gold payment by \$1,000,000.00 daily; and,

WHEREAS, the daily loss in revenue to the Salt Lake City Municipal Airport in renting; parking and other sources is estimated at \$2,000.00 daily during the current strike; and,

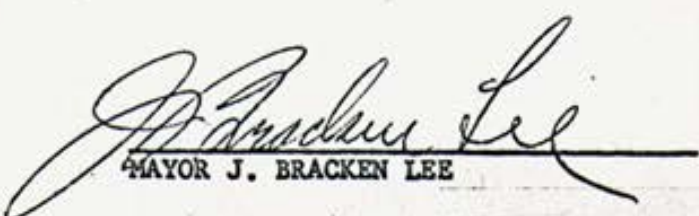
WHEREAS, continuance of the strike is crippling business travel, hotel and resort business, movement of perishable products and is retarding military supply and military travel; and,

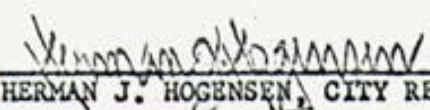
WHEREAS, continuance of the strike is affecting the entire economy and commerce of this community; and,

WHEREAS, its early termination is imperative.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF SALT LAKE CITY that said Board in behalf of itself and of the citizens of said city, does hereby memorialize the President and the Congress of the United States to exert every possible effort to restore full airline service immediately and to insure a fair and equitable settlement of the airline strike.

Passed by the Board of Commissioners of Salt Lake City, Utah, this 19th day of July, 1966.


MAYOR J. BRACKEN LEE


HERMAN J. HOGENSEN, CITY RECORDER

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

July 25, 1966

TO: Joseph A. Califano, Jr.

FROM: Clifford L. Alexander, Jr. *CL*

The attached communications request that the President intervene to end the airlines strike.

Attachments

The public has a right to know the truth about the actions of the average citizen is not enough. If you have the courage to do what is best for our nation; now is the time to act even though you may not have votes in the coming election.

The same is true of the Civil Rights riots. You have the power to stop these riots. If you have the courage to do what is best for our nation.

Yours very truly

A. C. Adams

A. C. Adams, County Judge.

200 700 32 101 2 51

705 CIVILIANO 73
RECEIVED

A. C. ADAMS
COUNTY JUDGE

COUNTY COURT
PHILLIPS COUNTY
HOLYOKE, COLORADO

PHONE 854-3447

July 22, 1966.

Honorable L. B. Johnson,
President of the United States,
Washington, D. C.,

Dear President:

CA
Action should be taken by the federal government in this strike against the aeroplane industry. The labor Unions should not be allowed to act as dictators. They should be subject to Anti-Trust laws just the same as industry. The public should have some protection of the rights of the average citizen in such cases. If you have the courage to do what is best for our nation, now is the time to act even though you may lose some votes in the coming election.

The same is true of the Civil Rights riots. You have the power to stop these riots, if you have the courage to do what is best for our nation.

Yours very truly

A. C. Adams

A. C. Adams , County Judge.

URGENT URGENT

Fill in this appeal and mail to
President Johnson Now.

President Lyndon B. Johnson
White House
Washington D.C.

Dear Mr. President:

This is a desperate plea for your
immediate personal action to stop
the Crippling Strike of Airline

Mechanics

Miami Beach and the entire State
of Florida depend on planes in the
air for their livelihood. This exten-
ded strike is causing great hardship
and financial loss.

PLEASE,
MR. PRESIDENT - END THIS
DESTRUCTIVE STRIKE!

Signed

Address

Louise L. Larch
9800 E. Bay Hills
Bal. Dr. Hill Island
Florida

PAUL M.

BRUUN



OVER

MIAMI

EXECUTIVE (2)
LAG/Airline
FG160

ADD 3 AIRLINES, WASHINGTON

REP. JOHN J. FLYNT JR., D-GA., CHARGED TODAY THAT THE WHITE HOUSE, WHILE DENYING EXISTENCE OF AN AIR TRANSPORT EMERGENCY, IS PRESSURING OPERATING AIRLINES TO HAUL GOVERNMENT OFFICIALS EVEN WHEN THIS MEANS BUMPING SOMEBODY ELSE.

FLYNT INTRODUCED A RESOLUTION CALLING ON THE CAB TO EMBARGO AIRLINE RESERVATIONS FOR ALL GOVERNMENT OFFICIALS, INCLUDING CONGRESSMEN.

"IF THIS IS DONE, I THINK THE PEOPLE WHO PRESENTLY DENY THE EXISTENCE OF AN EMERGENCY WILL RECOGNIZE THE TRUE SITUATION," FLYNT SAID IN TODAY'S CONGRESSIONAL RECORD.

FLYNT'S REMARKS WERE PROMPTED BY WIRTZ' SUGGESTION YESTERDAY THAT THE SENATE DELAY ACTION ON LEGISLATION TO SEND STRIKING AIRLINE MACHINISTS BACK TO THEIR JOBS DURING A 180-DAY MEDIATION PERIOD.

WIRTZ TESTIFIED THAT THE STRIKE AGAINST FIVE BIG AIRLINES HAD NOT YET CREATED A NATIONAL EMERGENCY ALTHOUGH IT WAS HEADING IN THAT DIRECTION.

FLYNT SAID HE READ THIS "WITH SURPRISE BORDERING ON SHOCK." HE THEN CITED DOLLAR AND JOB LOSSES IN THE WALKOUT AND THE INABILITY OF MORE THAN 150,000 PERSONS DAILY TO MAKE FLIGHTS THEY OTHERWISE PLANNED.

"SOME OF THE AIRLINES WHICH ARE OPERATING ARE RECEIVING CALLS WHICH ORIGINATE AT THE WHITE HOUSE DEMANDING THAT A NAMED PERSON BE PLACED ON A CONFIRMED RESERVATION STATUS -- OR ELSE," FLYNT SAID.

"MANY OF THESE PEOPLE HAVE NO URGENT OR EMERGENCY BUSINESS. THE ONLY BASIS FOR PRIORITY HANDLING OF SUCH REQUESTS FOR CONFIRMED RESERVATIONS IS THAT SUCH REQUESTS ORIGINATED AT THE WHITE HOUSE.

"WHEN TOLD THAT THE FLIGHT ON WHICH SUCH A RESERVATION IF REQUESTED IS ALREADY FULLY SOLD OUT, THE RESPONSE IS, 'PROVIDE A RESERVATION ANYWAY.' WHEN THE AIRLINE REPRESENTATIVE THEN ASKS, 'EVEN IF IT MEANS CANCELING A PREVIOUSLY CONFIRMED RESERVATION?' THE ANSWER COMES BACK 'YES, EVEN IF IT MEANS CANCELING A PREVIOUSLY CONFIRMED RESERVATION.'

"MEMBERS OF CONGRESS, EXECUTIVE DEPARTMENT OFFICIALS, AND INDEPENDENT AGENCY OFFICIALS ARE ALSO INVOLVED IN ASKING FOR SPECIAL HANDLING OF REQUESTS FOR AIRLINE RESERVATIONS."

FLYNT'S RESOLUTION WOULD EXPRESS THE SENSE OF CONGRESS THAT THE STRIKE HAS CREATED A NATIONAL EMERGENCY.

AT THE SAME TIME FLYNT INTRODUCED LEGISLATION SIMILAR TO THAT UNDER STUDY IN THE SENATE, TO TERMINATE THE STRIKE WHILE A SETTLEMENT IS SOUGHT.

FLYNT TOLD A REPORTER HE WAS ADVISED FURTHER THAT IN CONVERSATIONS ON WHITE HOUSE REQUESTS FOR RESERVATIONS AIRLINE PEOPLE HAVE ASKED ABOUT THE POSSIBILITY THEY COULD BE SUED BY PERSONS WHOSE CONFIRMED SEATS ARE DENIED THEM.

"YOU WON'T BE SUED," HE SAID THEY ARE TOLD.

WHEN THE AIRLINE REPRESENTATIVES ASK ABOUT CHARGES THAT MAY BE LEVIED AGAINST THEM FOR FEEDING AND HOUSING PERSONS BUMPED OFF THEIR FLIGHTS, FLYNT SAID THEY HAVE BEEN TOLD, "THAT'S YOUR PROBLEM."

7/28--GE1135A

THE WHITE HOUSE
WASHINGTON

July 28, 1966

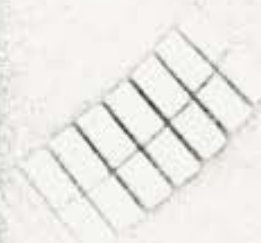
(F)

TO: Jim Jones

FROM: Henry Wilson

Your friend.

RECEIVED
SEP 12 1966
CENTRAL FILES



res Jdg

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EXECUTIVE ①
LAG/Airlines
FG 11-3

July 28, 1966

MEMORANDUM FOR MR. JOSEPH A. CALIFANO

Subject: Alternative Airlines Package Costs

Here are the results of our morning's work. Obviously, there are many possible further combinations.

"Original package"	5.1%
Wage increases 5-4-4, plus deferral of holiday premium to 1/1/68	4.7%
Wage increases 5-4-4, plus deferral of <u>all</u> fringes to 1/1/68	4.4%
Original package, extended for an extra 6 months, with no added compensation	4.75%

Gardner Ackley
Gardner Ackley

EXECUTIVE

LAG/Airlines

12:45 p.m., Friday
July 29, 1966

FOR THE PRESIDENT

FROM Joe Califano

We are making good progress on both sides in the airline dispute. There are a couple of sticky questions, however, and we will not have a settlement until mid-or late-afternoon.

We are sending lunch to the negotiators (sandwiches, ice cream, coffee, iced tea).

Working copy sent to 57TS/67
Memorandum dated 8/1/66 of 57TS/67

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

July 29, 1966
6:00 p.m. Friday

C. F.

2410

C092

C0305

LAG/Airlines

LE/HU2

~~CONFIDENTIAL~~ MEMORANDUM FOR THE PRESIDENT

SUBJECT: Staff Meeting, Friday, July 29, 8:30 a.m.

The following was the agenda discussed:

1. Francis Bator gave a long discussion of the economic problems of Prime Minister Wilson, and their relation to the United States, including the presence of British troops in the Far East and in Germany.
2. Walt Rostow and I discussed the need for safe-guards to prevent critics of the President's Vietnam military policy, from capitalizing on Prime Minister Wilson's visit.
3. Rostow also discussed the need to hold wage guidelines to prevent the type of economic trouble the United Kingdom now has.
4. Mike Manatos gave background of Congressional legislative developments re the airline strike. Manatos reported the Senate calendar rather clear since the vote on foreign aid.
5. Henry Wilson reported that the House would be occupied all next week with the Civil Rights Bill. Manatos reported that the Senate proposed to hold up consideration of the Civil Rights Bill for a couple of weeks.
6. Milt Semer gave a report on the President's meeting with representatives of the builders. He said there was a need for an overall administrative policy on the availability of money and the price of money. He is preparing a memorandum for the President.
7. For the objective of better internal administration, I asked that if any of the Assistants received back from the President's office mail designed for another Assistant that the second Assistant be informed concerning the action being taken.

DETERMINED TO BE AN
ADMINISTRATIVE MEMORANDUM

BY

Th

ON

3-16-82

2.

Those in attendance were:

Marvin Watson
Jake Jacobsen
Doug Cater
Walt Rostow
Milt Semer
James Moyers
George Christian
Francis Bator
Mike Manatos
Henry Wilson
Robert Fleming
Robert E. Kintner

Robert E. Kintner

THE WHITE HOUSE
WASHINGTON

Mr. Komer will be unable to
attend the staff meeting this
morning.

8:15 a.m.
Friday, July 29, 1966

①

AGENDA
STAFF MEETING
Friday, July 29, 1966
8:30 a.m.

1. Francis Bator Wilson Meeting ✓
2. Joe Califano Airlines strike
3. Milt Semer Real Estate Meeting
4. Robert E. Kintner Cabinet Meeting
5. Robert E. Kintner Night Reading
6. Mike Mantos } - H. Cong. - airlines!
H. Wilson }

① Buttrick - Wilson - money. Sample - 1964 = Wilson =
alliance policy. Support - Vietnam - bombing mission
variation. ① 1964 foreign exchange crises - fear US
on devaluation. East of Luzon - 100,000 - 6% - Wilson =
stay on line. effect. Massive circulation against starting.
Massive devaluation now = Wilson = wage + budget cuts
2nd of friendship = spirit at home, expand abroad. Re-Conf.
for association; put on back for measures. Equivalent - 10h -
for increase. Balance of Payments - OK:- US = stroke =
starting; force East of Luzon + pull out; Br = Germany;
No money. ② Roston - re Vietnam - Prince.

② Roston - how keep guide - lines? - Wilson +
Mantos - House - transfers to AFGLC 10. - Crite - Jants - 88
Forepaid - inevitable result - Senate clear.

(2)

⑤

H. Nelson - end night - all week - + with in - packaging.
Mantis - hold 2 weeks. 3 weeks - get out entire.

⑥

Roston - Harrison - peter out - no for policy - no problem.
Quota.

⑦

M-W_x - Lemer. = REK.

⑧

Lemer - home bldg - Housing starts - down = $1\frac{1}{2}\%$
various stages: = Chase - hunt. WR + M.S - included
economy - ratios = Capital Hill = +L = Result, Wm - Committee
Ans = major policy crisis - shape market for money.
Hott & W. - How to estimate transition - Main St =

⑨

3 ceremonies: Mon - 430 AEC, Tues - 430
Wed - 3PM - Clark,

July 27, 1966
Wednesday - 5:45 p.m.

MEMORANDUM FOR:

Bill Moyers
Marvin Watson
Jake Jacobsen
Doug Cater
Joe Califano
Walt Rostow
Bob Komer
Harry McPherson
Milt Semer
Governor Bryant
Barefoot Sanders
Larry O'Brien
James Moyers
George Christian
Francis Bator
Mike Manatos
Henry Wilson

There will be a staff meeting tomorrow, Friday, July 29, 1966,
in the Fish Room at 8:30 a.m.

I should appreciate if you would let my office know whether or
not you will attend and whether or not you have any items for the
agenda.

Robert E. Kintner

RECEIVED
JUL 28 1966
CENTRAL FILES

EXECUTIVE

LA 6/airline

-UPI-58

ADD 4 AIRLINES, WASHINGTON

THE FIGURES QUOTED BY MOYERS WERE AT VARIANCE WITH PREVIOUS REPORTS ON BOTH MANAGEMENT'S OFFER AND THE UNION'S DEMANDS. LATER, MOYERS EXPLAINED THAT THE REASON FOR THIS WAS THAT THE NEGOTIATORS WERE NOW TALKING IN TERMS OF A 3-YEAR CONTRACT WHEREAS EARLIER FIGURES WERE BASED ON A 3-1/2-YEAR AGREEMENT.

THE AIRLINES HAD SAID THEY OFFERED AN \$81 MILLION PACKAGE -- \$5 MILLION ABOVE THE RECOMMENDATION OF A PRESIDENTIAL EMERGENCY BOARD. THE CARRIERS SAID THE UNION'S DEMAND WOULD COST \$114 MILLION. THE IAM SET THE COST AT \$89 MILLION.

7/29--GE1127A

UPI-55 ADD 3 AIRLINES, WASHINGTON

IT WAS AFTER HEARING REPORTS FROM WIRTZ AND REYNOLDS ON THE RESULTS OF A 13-HOUR, NEW ADMINISTRATION EFFORT TO BREAK THE IMPASSE IN THE 22-DAY OLD STRIKE THAT JOHNSON DECIDED TO MOVE TALKS TO THE WHITE HOUSE.

THE ANNOUNCEMENT CAME AT ABOUT 2:35 A.M. TODAY.

JOHNSON DECIDED TO SETP INTO THE SITUATION AFTER FOLLOWING THE DISPUTE TRHOUGH REPORTS FROM WIRTZ AND IN CONFERENCES WITH PROMINENT FIGURES FROM MANAGEMENT AND LABOR, AND MEMBERS OF CONGRESS.

MOYERS SAID THAT AFTER A MEETING SOME TIME THURSDAY WITH GOVERNMENT LAWYERS AND ECONOMISTS IT APPEARED TO JOHNSON THAT THE DIFFERENCE BETWEEN THE TWO SIDES HAD NARROWED TO SOMETHING LESS THAN \$25 MILLION.

MOYERS SAID THE OVER-ALL COMPANY OFFER AMOUNTED TO ROUGHLY \$60 MILLION AND THE UNION DEMANDS WERE DOWN TO SOMETHING OVER \$80 MILLION.

JOHNSON THOUGHT THIS WAS A COMPARATIVELY SMALL GAP WHEN MEASURED AGAINST THE GROSS NATIONAL PRODUCT AND FELT THE TIME HAD COME FOR WHAT MOYERS DESCRIBED AS "REAL PROGRESS TOWARD A SUCCESSFUL CONCLUSION."

THE FIGURES QUOTED BY MOYERS WERE AT VARIANCE WITH PREVIOUS REPORTS OF BOTH MANAGEMENT'S OFFER AND THE UNION'S DEMAND. THE AIRLINES HAVE SAID THEY OFFERED AN \$81 MILLION PACKAGE IN A 3 1/2 YEAR CONTRACT.

THE UNION HAS NOT ESIMATED THE AIRLINES' OFFER BUT HAS SAID ITS DEMANDS CAME TO \$89 MILLION. THE CARRIERS SAID THE UNION DEMANDS WOULD COST \$114 MILLION.

IN ANY EVENT, MOYERS INDICATED JOHNSON FELT THE TWO SIDES HAD REACHED APOINT WHERE A SETTLMENT WAS POSSIBLE.

"THE PRESIDENT TOLD ME THIS MORNING," MOYERS SAID, "THAT HE FELT THEY COULD NEGOTIATE TO DOOMSDAY AND NOT MAKE ANY MORE PROGRESS THAN THEY ARE NOW LIKELY TO MAKE IN ONE DAY, GIVEN THE NARROW LIMITS OF THEIR DIFFERENCES, IF THEY REALLY DECIDE TO MOVE AHEAD."

SW1043AED7/29

X United Press Int'l.

JOHNSON DECIDED TO MOVE TALKS TO THE
WHITE HOUSE.

UP

THE ANNOUNCEMENT CAME AT ABOUT 2:35 A.M. TODAY.

JOHNSON DECIDED TO SETP INTO THE SITUATION AFTER FOLLOWING THE
DISPUTE TRROUGH REPORTS FROM WIRTZ AND IN CONFERENCES WITH PROMINENT
FIGURES FROM MANAGEMENT AND LABOR, AND MEMBERS OF CONGRESS.

MOYERS SAID THAT AFTER A MEETING SOME TIME THURSDAY WITH GOVERNMENT
LAWYERS AND ECONOMISTS IT APPEARED TO JOHNSON THAT THE DIFFERENCE
BETWEEN THE TWO SIDES HAD NARROWED TO SOMETHING LESS THAN \$25
MILLION.

MOYERS SAID THE OVER-ALL COMPANY OFFER AMOUNTED TO ROUGHLY \$60
MILLION AND THE UNION DEMANDS WERE DOWN TO SOMETHING OVER \$80 MILLION.

JOHNSON THOUGHT THIS WAS A COMPARATIVELY SMALL GAP WHEN MEASURED
AGAINST THE GROSS NATIONAL PRODUCT AND FELT THE TIME HAD COME FOR
WHAT MOYERS DESCRIBED AS "REAL PROGRESS TOWARD A SUCCESSFUL
CONCLUSION."

THE FIGURES QUOTED BY MOYERS WERE AT VARIANCE WITH PREVIOUS
REPORTS OF BOTH MANAGEMENT'S OFFER AND THE UNION'S DEMAND.
THE AIRLINES HAVE SAID THEY OFFERED AN \$81 MILLION PACKAGE IN A
3 1/2 YEAR CONTRACT.

THE UNION HAS NOT ESIMATED THE AIRLINES' OFFER BUT HAS SAID
ITS DEMANDS CAME TO \$89 MILLION. THE CARRIERS SAID THE UNION DEMANDS
WOULD COST \$114 MILLION.

IN ANY EVENT, MOYERS INDICATED JOHNSON FELT THE TWO SIDES
HAD REACHED APOINT WHERE A SETTLMENT WAS POSSIBLE.

"THE PRESIDENT TOLD ME THIS MORNING," MOYERS SAID, "THAT HE
FELT THEY COULD NEGOTIATE TO DOOMSDAY AND NOT MAKE ANY MORE PROGRESS
THAN THEY ARE NOW LIKELY TO MAKE IN ONE DAY, GIVEN THE NARROW LIMITS
OF THEIR DIFFERENCES, IF THEY REALLY DECIDE TO MOVE AHEAD."

SW1043AED7/29

UPI-121

ADD 10 AIRLINES, WASHINGTON

IN A SENATE FLOOR SPEECH, MORSE DEFENDED THE PRESIDENT'S HANDLING OF HIS ROLE IN THE AIRLINE STRIKE SITUATION AND COMPLIMENTED ONE OF HIS OWN CRITICS, AFL-CIO PRESIDENT GEORGE MEANY FOR HELPING TO BRING THE PARTIES TOGETHER IN THE LAST 36 HOURS.

"I HAPPEN TO KNOW THAT ONE REASON GREAT PROGRESS HAS BEEN MADE IS THAT MR. MEANY HAS EXERCISED IN THE LAST 36 HOURS THAT INDUSTRIAL STATESMANSHIP HE IS CAPABLE OF EXERCISING," MORSE SAID.

BUT MORSE SAID HE WANTED MEANY TO KNOW THAT IF THE NEGOTIATIONS BREAK DOWN HE WILL CONTINUE TO "PRESS BY LEGISLATIVE MANDATE TO BRING THE STRIKE TO AN END."

7/29--RH230PED

UPI-1

AND AIRLINES, WASHINGTON

AT 1 P.M., PRESS SECRETARY MOYERS TOLD REPORTERS THAT LUNCH HAD BEEN SENT IN TO THE NEGOTIATORS.

MOYERS SAID THERE WAS NO TRUTH TO A RUMOR THAT A SETTLEMENT HAD BEEN REACHED. HE SAID HE HAD SPOKEN WITH WIRIZ ONLY 15 MINUTES BEFORE.

7/29--GE135P

-3-

UPI-1000

UPI-2

(AIRLINES)

I WASHINGTON--PRESIDENT JOHNSON PERSONALLY INTERVENED IN THE 22-DAY
I AIRLINE STRIKE TODAY BY CALLING NEGOTIATORS TO THE WHITE HOUSE IN AN
I APPEAL FOR SETTLEMENT.

S JOHNSON, FACED WITH CONGRESSIONAL DEMANDS FOR PRESIDENTIAL ACTION,
S ANNOUNCED THROUGH PRESS SECRETARY MOYERS EARLY TODAY THAT ABOUT
FIVE MEN EACH -- REPRESENTING THE FIVE AIRLINES AND THE STRIKING
INTERNATIONAL ASSOCIATION OF MACHINISTS -- WOULD ATTEND THE 9 A.M.
WHITE HOUSE MEETING.

I THE MEETING WAS SCHEDULED AS THE SENATE LABOR COMMITTEE PREPARED THE
I FINAL FORM OF A RARELY USED RESOLUTION THAT WOULD GIVE JOHNSON DISCRE-
S TIONARY POWER TO ORDER STRIKING MACHINISTS BACK TO WORK.

I ASKED WHETHER JOHNSON -- AS HE HAS DONE IN OTHER CASES -- INTENDED
I TO KEEP THE NEGOTIATORS AT THE WHITE HOUSE UNTIL A SETTLEMENT IS
REACHED, MOYERS REPLIED: "LET'S JUST SEE WHAT HAPPENS. WE'LL HAVE
THEM THERE."

MOYERS SAID WORD REACHED THE UNION AND AIRLINES "A LITTLE WHILE"
BEFORE HE NOTIFIED NEWSMEN (ABOUT 2:30 A.M.) OF THE PRESIDENT'S
ACTION.

I MOYERS SAID LABOR SECRETARY WIRTZ AND ASSISTANT LABOR SECRETARY
I JAMES J. REYNOLDS WOULD ALSO ATTEND THE WHITE HOUSE SESSIONS.

ON A SEPARATE FRONT, JOHNSON HAD, BY THE EARLY MORNING, CHOSEN
I TWO OF THREE MEMBERS OF AN EMERGENCY BOARD ESTABLISHED TO HEAD OFF A
I STRIKE AGAINST AMERICAN AIRLINES.

7/29--GE838A

THE WASHINGTON CAPITAL NEWS SERVICE OF UNITED PRESS INTERNATIONAL
JULY 29, 1966
TELEPHONES: WASHINGTON--NATIONAL 8-6621; NEW YORK, MURRAY HILL 2-0400.

UPI-1

THE NEWS IN BRIEF
BY UNITED PRESS INTERNATIONAL

WASHINGTON--PRESIDENT JOHNSON INTERVENES IN AIRLINES STRIKE BY
CALLING NEGOTIATORS TO THE WHITE HOUSE.

UPI-27

ADD 1 AIRLINES, WASHINGTON (UPI-2)

THE PRESIDENT MET IN THE CABINET ROOM PROMPTLY AT 9 A.M. WITH TEAMS
REPRESENTING THE FIVE AIRLINES AND THE MACHINISTS.

7/29--GE939A

UPI-46 (AIRLINES)

THAT PARSSMANYEABATCS005FAMERTCANRTHAVEDEED 000KINEONESTMAINE TODAY
FIND THEMSELVES STRANDED IN EUROPE NEXT WEEK UNLESS THE
MACHINISTS' STRIKE IN THE U.S. WAS SETTLED.

SW1021AED7/29

UPI-61

ADD 5 AIRLINES, WASHINGTON

MOYERS, EXPLAINING THE FIGURES HE USED ON CURRENT FINANCIAL DIFFERENCES BETWEEN THE UNION AND THE CARRIERS, SAID THE NEGOTIATORS WERE NOW WORKING ON A 36 MONTHS CONTRACT. THIS REPRESENTED A CHANGE FROM THE EARLIER BASIS OF THEIR TALKS WHICH WAS A CONTRACT FOR 42 MONTHS.

WHILE AWAITING THE ARRIVAL OF BRITISH PRIME MINISTER WILSON, PRESIDENT JOHNSON CHATTED WITH SECRETARY OF STATE RUSK ABOUT THE AIRLINE STRIKE AND TOLD HIM THAT THE NEGOTIATORS "AREN'T TOO FAR APART."

JOHNSON TOLD RUSK HE WAS UP "VIRTUALLY ALL NIGHT WITH THE STRIKE."

"I JUST TOLD THEM THEY COULD NEGOTIATE THIS BETTER THAN CONGRESS OR THE PRESIDENT," JOHNSON SAID.

7/29--GE1136A

UPI-68 ADD 6 AIRLINES, WASHINGTON

MEANWHILE, THE SENATE LABOR COMMITTEE FORMALLY AGREED ON THE LANGUAGE OF ITS RESOLUTION BUT DID NOT REPORT IT TO THE SENATE PENDING WORD ABOUT THE RENEWED NEGOTIATIONS.

SEN. WAYNE MORSE, D-ORE., PREDICTED THERE WILL BE NO NEED FOR A RESOLUTION. MORSE SAID HE WAS SATISFIED THAT THE NEGOTIATIONS WERE GOING ON SUCCESSFULLY AND SAID THERE WAS "A GOOD CHANCE OF AN ACCEPTABLE SETTLEMENT."

MORSE, WHO KEPT IN CLOSE TOUCH WITH THE NEGOTIATIONS UNTIL 2:30 A.M., SAID THERE WAS A "VERY IMPORTANT BREAK AT THAT TIME." ASKED WHAT THE BREAK WAS, MORSE SAID THE PARTIES STARTED BARGAINING WHICH THEY HAD NOT DONE BEFORE.

7/29--GE1157A

UPI-79

ADD 7 AIRLINES, WASHINGTON
THE 22-DAY AIRLINE STRIKE WAS REPOTED NEAR SETTLEMENT TODAY

AFTER HEARING THE PERSONAL APPEAL BY PRESIDENT JOHNSON.

SOURCES CLOSE TO THE NEGOTIATIONS PREDICTED A SETTLEMENT ANNOUNCEMENT LATER TODAY.

A SETTLEMENT TODAY COULD GET THE FIVE STRUCK CARRIERS OFF THE GROUND AS EARLY AS NEXT TUESDAY.

SW1226PED7/29

UPI-80

ADD 8 INSERT AIRLINES, WASHINGTON

SENATE DEMOCRATIC LEADER MANSFIELD AND GOP LEADER DIRKSEN EXPRESSED CONCERN THAT A SETTLEMENT WOULD SOAR FAR BEYOND THE WAGE GUIDELINES AND SET A PATTERN IN OTHER INDUSTRIES.

DIRKSEN, COMMENTING ON THE POSSIBILITY THAT THE CARRIERS WOULD CAPITULATE, SAID "IT WOULD BE AN OPEN END FOR EVERY PRESSURE GROUP AND GO RIGHT THROUGH THE CEILING BEFORE THEY ARE THROUGH... THERE WILL BE NO END."

MANSFIELD SAID HE WAS NOT AS CONCERNED ABOUT A SLIGHT DENT IN THE GUIDELINES BUT ADDED "IF THEY ARE BROKEN DRASTICALLY IT WOULD SET OFF A WAVE ON OTHER CONTRACTS."

MANSFIELD NOTED THAT THE RECOMMENDATIONS OF THE EMERGENCY BOARD--HEADED BY MORSE--EXCEEDED THE GUIDELINES AND TOLD REPORTERS THAT AIRLINE MECHANICSX ARE PAID LESS THAN BUS MECHANICS.

THE DEMOCRATIC LEADER SAID IF THE CARRIERS THE UNION DEMANDS "THE GUIDELINES WOULD GO OUT THE WINDOW. IT WOULD BE A SEVEN PER CENT INCREASE...THAT'S THE GREAT DANGER."

SW1230PED7/29

PRESIDENT JOHNSON URGED THE NEGOTIATORS TO COME UP WITH A PROMPT SETTLEMENT "WITHOUT ANYONE WINNING A GREAT VICTORY OR WITHOUT ANYONE SUFFERING A GREAT DEFEAT."

JOHNSON MET FOR NEARLY 300 MINUTES IN THE CABINET ROOM WITH 22 REPRESENTATIVES OF THE AIRLINES AND THE MACHINISTS.

BOTH SIDES AGREED TO CONTINUE THE TALKS IN THE EXECUTIVE OFFICE BUILDING AND TO MAKE PERIODIC PROGRESS REPORTS TO THE PRESIDENT.

THERE HAD NOT BEEN A JOINT MEETING OF NEGOTIATORS SINCE SUNDAY.

PRESS SECRETARY MOYERS SAID JOHNSON ASKED THE NEGOTIATORS TO REACH AN AGREEMENT "WITHOUT ANYONE WINNING A GREAT VICTORY OR WITHOUT ANYONE SUFFERING A GREAT DEFEAT."

AS RELATED BY MOYERS, JOHNSON TOLD THEM, "YOU MEN AROUND THIS TABLE CAN FIND A SOLUTION EQUITABLE TO BOTH GROUPS BETTER THAN ANYONE ELSE."

HE SAID COLLECTIVE BARGAINING STILL WAS THE CLASSIC WAY TO SETTLE DIFFERENCES "IN A FREE DEMOCRATIC WAY -- A BETTER WAY THAN LEGISLATING THE BREAKING OF A STRIKE OR BY SEIZURE OR PRESIDENTIAL FIAT."

THE CHIEF EXECUTIVE IMPOSED NO DEADLINES, NO ULTIMATUM AND NO THREATS, ACCORDING TO MOYERS. HE SIMPLY ASKED THE LABOR AND MANAGEMENT TEAMS TO "FIND A POINT OF MOVEMENT."

THE MANAGEMENT TEAMS HEADED BY WILLIAM J. CURTIN AND THE UNION DELEGATION LED BY P.L. (ROY) SEIMILLER, PRESIDENT OF THE IAM, ACCEPTED JOHNSON'S INVITATION TO RESUME TALKS UNDER WHITE HOUSE AUSPICES.

WIRTZ AND REYNOLDS ACCOMPANIED THE NEGOTIATORS AND SAT IN ON THE STRIKE TALKS AS THEY RESUMED.

SW1025AED7/29

PRESIDENT JOHNSON URGED THE NEGOTIATORS TO COME UP WITH A PROMPT SETTLEMENT "WITHOUT ANYONE WINNING A GREAT VICTORY OR WITHOUT ANYONE SUFFERING A GREAT DEFEAT."

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WIRTZ AND REYNOLDS ACCOMPANIED THE NEGOTIATORS AND SAT IN ON THE STRIKE TALKS AS THEY RESUMED.

SW1025AED7/29

2
AIRLINES

WASHINGTON (AP)-PRESIDENT JOHNSON CALLED AIRLINE STRIKE NEGOTIATORS TO THE WHITE HOUSE TODAY, BEATING CONGRESS TO THE PUNCH ON AN EFFORT TO DUMP THE TOUGH LABOR DISPUTE IN HIS LAP.

THE WHITE HOUSE SAID JOHNSON WILL URGE BOTH SIDES AT A 9 A.M. MEETING IN HIS OFFICE TO PRESS FOR A SETTLEMENT OF THE STRIKE, ENTERING ITS FOURTH WEEK TODAY.

JOHNSON'S ACTION CAME AS NEGOTIATORS TALKED INTO THE EARLY MORNING AT THE LABOR DEPARTMENT, WHICH ANNOUNCED "SOME PROGRESS" BUT NO TENTATIVE CONTRACT AGREEMENT BETWEEN THE STRIKING MACHINISTS' UNION AND THE FIVE GROUNDED AIRLINES.

THERE WAS NO IMMEDIATE INDICATION HOW JOHNSON'S MOVE WOULD AFFECT THE CONFUSED SITUATION IN CONGRESS.

THE SENATE LABOR COMMITTEE WAS TO COMPLETE ACTION ON ONE BILL TO GIVE JOHNSON AUTHORITY TO STOP THE STRIKE, WHILE SEN. MORSE, D-ORE., PLANNED TO TAKE A STIFFER PROPOSAL TO THE SENATE FLOOR.

IN THE HOUSE, LABOR COMMITTEE CHAIRMAN ADAM CLAYTON POWELL, D-N.Y., SCHEDULED A NEW HEARING ON THE STRIKE.

THE STRIKE, CRIPPLING 60 PER CENT OF THE NATION'S AIR TRAFFIC, UNLEASHED A FLOOD OF CRITICAL MAIL ON THE HEADS OF MEMBERS OF CONGRESS AND OFFICIALS OF THE JOHNSON ADMINISTRATION, AND POSED A TOUCHY CONGRESSIONAL ELECTION YEAR QUANDRY.

SERIOUS ECONOMIC LOSSES PILED UP IN MANY PARTS OF THE NATION.
LT836AED 7/29

WASHINGTON--ADD AIR LINES (2)

WHITE HOUSE PRESS SECRETARY BILL D. MOYERS DECLINED TO SAY WHETHER JOHNSON NOW WOULD KEEP THE NEGOTIATIONS UNDER HIS THUMB, AS HE DID TO AVERT A THREATENED NATIONWIDE RAILROAD STRIKE IN 1964 AND A STEEL STRIKE THREAT LAST YEAR.

JOHNSON'S DECISION TO TRY HIS OWN PERSUASIVE BRAND OF LABOR MEDIATION WAS ANNOUNCED BY THE WHITE HOUSE AT 2:30 A.M. AFTER FREQUENT TELEPHONE CONSULTATIONS WITH THE LABOR DEPARTMENT ON THE PROGRESS OF NEGOTIATIONS.

THE CAUTIOUS REPORT OF SOME PROGRESS BY ASST. SECRETARY OF LABOR JAMES J. REYNOLDS WAS THE FIRST HOPEFUL NOTE IN THE DEAD-LOCKED NEGOTIATIONS IN TWO WEEKS.

JOHNSON HAS NO LEGAL AUTHORITY TO HALT THE STRIKE UNDER EXISTING LAW.

THE SENATE LABOR COMMITTEE VOTED YESTERDAY TO EMPOWER JOHNSON TO ORDER THE STRIKERS BACK TO WORK FOR AS MANY AS THREE 60-DAY COOLING-OFF PERIODS. THE COMMITTEE WAS TO WRAP UP DETAILS ON THE BILL FOR SENATE ACTION TODAY.

THE MORSE BILL, REJECTED BY THE COMMITTEE, WOULD HAVE CONGRESS RATHER THAN THE PRESIDENT ORDER THE 35,000 STRIKING MACHINISTS BACK TO WORK FOR SIX MONTHS. "CONGRESS, I THINK, HAS THE CLEAR DUTY TO ACT. NOT ASK SOMEBODY ELSE TO ACT," MORSE SAID IN ANNOUNCING HE WOULD BYPASS THE COMMITTEE AND TAKE HIS PROPOSAL DIRECTLY TO THE SENATE.

LT843AED 7/29

EDITORS

WHITE HOUSE PRESS SECRETARY BILL MOYERS SAYS HE INTENDS TO BRIEF THE PRESS IMMEDIATELY AFTER THE CURRENT WHITE HOUSE MEETING AMONG REPRESENTATIVES OF THE AIRLINES, LABOR AND THE GOVERNMENT.

LT922AED

7/29

WASHINGTON--ADD AIRLINES (4)

THE SENATE COMMITTEE'S 11-5 VOTE, AFTER REBUFFING THE PLEA OF SECRETARY OF LABOR WIRTZ FOR MORE TIME TO SEEK A SETTLEMENT, FOLLOWED ACCUSATIONS BY SOME SENATORS THAT JOHNSON WAS TRYING TO PASS THE BUCK TO CONGRESS.

THE COMMITTEE'S PROPOSAL, IN EFFECT, WOULD PASS THE BUCK RIGHT BACK TO JOHNSON.

BUT IT ALSO WOULD GIVE THE ADMINISTRATION THE EXTRA TIME IT ASKED, LEAVING IT UP TO JOHNSON WHETHER AND WHEN TO ORDER THE STRIKE HALTED.

ORGANIZED LABOR, WHICH INFLUENCES MILLIONS OF VOTES, VIOLENTLY IS OPPOSED TO ANY LAW LIMITING THE RIGHT TO STRIKE.

THE ONLY SIMILAR EMERGENCY LAW SINCE WORLD WAR II, ENACTED IN 1963 TO BLOCK A THREATENED STRIKE OF RAILROAD FIREMEN, OUTRAGED LABOR LEADERS AND RESULTED IN THREE YEARS OF COURT LITIGATION. WIRTZ CALLED THAT HASTY LEGISLATION A "SCAR" ON THE NATION'S LABOR RELATIONS.

WHILE JOHNSON'S INTERVENTION SEEMED TO AT LEAST GET THE GROUNDED AIRLINE TALKS BACK ON THE RUNWAY, IT APPEARED IT WOULD TAKE AT LEAST SEVERAL MORE DAYS BEFORE ANY SETTLEMENT MIGHT COME.

A MAJOR STUMBLING BLOCK IN THE STALEMATE IS JOHNSON'S OWN ECONOMIC POLICY THAT SEEKS TO KEEP WAGE HIKE WITHIN BOUNDS HE CONSIDERS NONINFLATIONARY.

CHIEF AIRLINES NEGOTIATOR WILLIAM J. CURTIN INSISTED THAT ANY NEW CONTRACT MUST APPROXIMATE THE WHITE HOUSE WAGE INCREASE YARDSTICK OF 3.2 PER CENT A YEAR.

PRESIDENT P. L. (BOY) SIEMILLER OF THE STRIKING AFL-CIO INTERNATIONAL ASSOCIATION OF MACHINISTS WAS ADAMANT AGAINST ANY SUCH WAGE LIMITATION AS LONG AS THE GOVERNMENT PUT NO LID ON PROFITS.

LT959AED 7/29

AIRLINES (TOPS 2)

WASHINGTON (AP)-PRESIDENT JOHNSON TOOK PERSONAL CHARGE OF AIRLINE STRIKE NEGOTIATIONS TODAY IN A WHITE HOUSE SESSION.

BEATING CONGRESS TO THE PUNCH ON AN EFFORT TO DUMP THE DISPUTE INTO HIS LAP, JOHNSON MET WITH THE NEGOTIATORS AT 9 A.M. EDT IN THE CABINET ROOM. HIS SUMMONS FOR THE MEETING WENT OUT AFTER MIDNIGHT.

THE WHITE HOUSE SAID IN ADVANCE THAT JOHNSON WOULD URGE BOTH SIDES TO PRESS FOR SETTLEMENT OF THE WALKOUT, WHICH ENTERED ITS FOURTH WEEK TODAY.

MEANWHILE AT THE CAPITOL THE SENATE LABOR COMMITTEE WENT INTO UNUSUALLY EARLY SESSION TO ROUND OUT A MEASURE OF ITS OWN AIMED AT ENDING THE STRIKE.

LT1015AED 7/29

BULLETIN

AIRLINES (TOPS 26)

WASHINGTON (AP)-PRESIDENT JOHNSON TOOK OVER THE AIRLINE STRIKE NEGOTIATIONS TODAY AND TOLD BOTH SIDES HE WANTS THEM TO REACH AGREEMENT THROUGH COLLECTIVE BARGAINING.

LT1020AED 7/29

WASHINGTON--ADD AIRLINES (28)

AFTER A WHITE HOUSE MEETING WITH JOHNSON, 11 MEN FROM THE MANAGEMENT SIDE AND 11 FROM THE UNION SIDE MARCHED ACROSS THE STREET TO THE EXECUTIVE OFFICE BUILDING AND WENT INTO SESSION ONCE MORE.

WHITE HOUSE PRESS SECRETARY BILL D. MOYERS SAID JOHNSON SET NO DEADLINE FOR ACTION.

"HE SAID," MOYERS REPORTED, "THAT COLLECTIVE BARGAINING IS THE FREE, DEMOCRATIC WAY OF SETTling THE DIFFERENCES YOU HAVE THIS MORNING THAT 'THAT'S A BETTER WAY THAN LEGISLATING THE BREAKING OF A STRIKE, OR SEIZURE, OR PRESIDENTIAL FIAT.'"

MOYERS, TALKING WITH NEWSMEN AFTER SITTING IN ON THE ORIGINAL SESSION IN THE CABINET ROOM, SAID JOHNSON FEELS THAT CONTINUED, PROLONGED NEGOTIATIONS NOW ARE NO MORE LIKELY TO BRING ABOUT A SETTLEMENT THAN INTENSIFIED, CONCENTRATED BARGAINING.

"THIS IS THE CRUNCH, IN A SENSE," MOYERS SAID.

IT APPEARS, MOYERS SAID, THAT THE DIFFERENCES BETWEEN LABOR AND MANAGEMENT HAVE BEEN NARROWED TO SOMETHING LESS THAN \$25 MILLION. HE SAID THE COMPANIES HAVE BEEN OFFERING ABOUT \$60 MILLION ABOVE PRESENT PAY AND BENEFIT STANDARDS AND THE UNIONS HAVE COME DOWN ON THEIR DEMANDS TO \$80 MILLION OR A BIT MORE.

MOVING IN ON THE NEGOTIATIONS WITH AN AFTER-MIDNIGHT SUMMONSING THE PARTIES TO THE WHITE HOUSE, JOHNSON BEAT CONGRESS TO THE PUNCH ON AN EFFORT TO DUMP THE DISPUTE INTO HIS LAP.

LT1025AED 7/29

WASHINGTON--ADD AIRLINES (29)

THE MOVE AT THE CAPITOL WAS TO GIVE THE PRESIDENT AUTHORITY TO STOP THE STRIKE, AND THE RESPONSIBILITY FOR PICKING A TIME FOR SUCH ACTION.

AS THE MACHINISTS UNION STOPPAGE ON FIVE MAJOR AIRLINES MOVED INTO ITS FOURTH WEEK, MOYERS SAID JOHNSON TOLD THE NEGOTIATORS HE FELT THE TIME HAD COME FOR REAL PROGRESS TOWARD SUCCESSFUL CONCLUSION OF THE BARGAINING.

"HE TOLD ME THIS MORNING," THE PRESS SECRETARY SAID, "HE FELT THEY COULD NEGOTIATE UNTIL DOOMSDAY AND NOT MAKE ANY MORE PROGRESS THAN THEY ARE NOW LIKELY TO MAKE IN ONE DAY, GIVEN THE NARROW LIMITS OF THEIR DIFFERENCIES, IF THEY REALLY DECIDE TO MOVE AHEAD."

SECRETARY OF LABOR W. WILLARD WIRTZ, ASST. SECRETARY JAMES J. REYNOLDS AND PRESIDENTIAL ASSISTANT JOSEPH CALIFANO ALSO TOOK PART IN THE CABINET ROOM CONFRONTATION.

PE1055AED 7/29

WASHINGTON--ADD AIRLINES (41)

JOHNSON, MOYERS SAID, PROPOSED THAT THE NEGOTIATORS TRY "A LITTLE INTROSPECTION BY ASKING 'WHAT CAN I DO TO PROTECT THE PEOPLE I REPRESENT, BUT STILL FIND AN AREA OF AGREEMENT.'"

FINALLY, MOYERS SAID, JOHNSON TOLD THE ASSEMBLAGE:

"I'D LIKE YOU TO GO OVER THERE TO THE OFFICE I USED (IN THE EXECUTIVE OFFICE BUILDING) WHEN I WAS VICE PRESIDENT AND SEE WHAT YOU CAN DO."

MOYERS SAID JOHNSON TOLD THEM HE WOULD APPRECIATE ANY PROGRESS REPORT THEY MIGHT HAVE AS TIME GOES ON.

JOHNSON, MOYERS SAID, DID NOT PROPOSE CONTINUOUS OR ROUND-THE-CLOCK SESSIONS.

THE OLD VICE PRESIDENTIAL SUITE IS WHERE STEEL NEGOTIATORS MET ORIGINALLY WHEN THE WHITE HOUSE SUCCEEDED IN HEADING OFF A STRIKE A YEAR AGO.

JOHNSON WAS UP UNTIL AT LEAST 2:30 THIS MORNING, MOYERS REPORTED, AND OUT OF BED SOME TIME BEFORE 8 A.M.

ES1110AED 7/29

WASHINGTON--ADD AIRLINES (47)

7TH GRAF "IT APPEARS" X X X A BIT MORE.

MOYERS TOLD REPORTERS THE NEGOTIATORS NOW ARE TALKING IN TERMS OF A 36-MONTH CONTRACT INSTEAD OF THE 42 MONTHS SUGGESTED BY A PRESIDENTIAL EMERGENCY BOARD AND ADOPTED BY THE CARRIERS. HE SAID THE FIGURES HE USED OF \$60-ODD MILLION AND \$80-ODD MILLION WERE ON THE BASIS OF WHAT THE MANAGEMENT AND LABOR OFFERS WOULD COST OVER THREE YEARS.

LATER THE PRESIDENT HIMSELF SAID "THEY AREN'T TOO FAR APART."

THIS WAS WHILE HE WAS CHATTING IN THE ENTRY TO THE WHITE HOUSE EXECUTIVE OFFICES WHILE WAITING WT

THIS WAS WHILE HE WAS CHATTING IN THE ENTRY TO THE WHITE HOUSE EXECUTIVE OFFICES WHILE WAITING WITH SECRETARY OF STATE DEAN RUSK FOR THE ARRIVAL OF PRIME MINISTER HAROLD WILSON OF BRITAIN.

"I WAS UP PRACTICALLY ALL NIGHT WITH THE STRIKE," JOHNSON TOLD RUSK. "I TOLD THEM THEY COULD NEGOTIATE THIS BETTER THAN CONGRESS OR THE PRESIDENT."

ES1158AED 7/29

WASHINGTON--ADD AIRLINES (47)

THE SENATE LABOR COMMITTEE SPENT TWO HOURS BEHIND CLOSED DOORS, POLISHING ITS LEGISLATIVE SOLUTION TO THE WALKOUT, THEN RECESSED TO AWAIT DEVELOPMENT IN THE WHITE HOUSE TALKS.

A NEW SESSION WAS SCHEDULED FOR 2:30 P.M., EDT.

THE MEASURE--EMPOWERING PRESIDENT JOHNSON TO ORDER AN END TO THE STRIKE FOR UP TO 180 DAYS--WAS REPORTED READY FOR A FINAL COMMITTEE VOTE.

BUT SEN. MORSE, D-ORE., WHO HAS PROPOSED THAT CONGRESS ITSELF FORCE A HALT TO THE WALKOUT, SAID LEGISLATION MIGHT NOT BE NECESSARY.

MORSE SAID THERE IS A GOOD CHANCE NOW FOR AN ACCEPTABLE, NEGOTIATED SETTLEMENT.

"THERE WAS A VERY IMPORTANT BREAK ON THIS MATTER IN THE EARLY HOURS OF THIS MORNING," MORSE SAID.

ASKED TO ELABORATE, MORSE WOULD SAY ONLY THAT BARGAINING HAS RESUMED.

ES1207PED 7/29

WASHINGTON--ADD AIRLINES (68)

THE SENATE'S DEMOCRATIC AND REPUBLICAN LEADERS AGREED MEANWHILE

THAT ANY AIRLINE STRIKE SETTLEMENT MATERIALLY EXCEEDING ADMINISTRATION WAGE GUIDELINES WOULD HAVE DISASTROUS INFLATIONARY EFFECTS.

SEN. DIRKSEN, OF THE MINORITY LEADER, SAID THAT IF THE AIRLINES SHOULD AGREE TO MEET THE \$25 MILLION DEMAND OF THE MACHINISTS UNION ABOVE THE AMOUNT THEY HAVE OFFERED, THE PRESSURE OF DEMANDS WOULD INCREASE ON OTHER INDUSTRIES.

"THIS THING COULD GO RIGHT THROUGH THE ROOF," HE SAID.

"THERE WOULD BE NO WAY OF STOPPING IT.

SEN. MANSFIELD, OF THE MAJORITY LEADER, TOLD A SEPARATE NEW CONFERENCE THAT THE ADMINISTRATION'S WAGE GUIDELINES ALREADY HAVE BEEN EXCEEDED IN RECOMMENDATIONS OF A NEGOTIATION BOARD.

HE SAID THAT ADDITIONAL "BAD BREAK" IN THIS RESPECT COULD CHURN UP NEW INFLATIONARY WAVES.

MANSFIELD SAID THE UNIONS ARE ASKING FOR WHAT AMOUNTS TO A 7 PER CENT INCREASE IN WAGES AND BENEFITS, ABOUT TWICE THE GUIDELINE LIMIT.

"IF THE GUIDELINES ARE BROKEN DRASTICALLY, THERE WILL BE A WAVE OF WAGE DEMANDS ON OTHER CONTRACTORS," HE SAID.

MANSFIELD SAID HE WILL NOT KEEP THE SENATE IN LENGTHY SESSION TO GET REPORTS ON THE PROGRESS OF THE NEW WHITE HOUSE NEGOTIATIONS.

"THEY HAVE JUST STARTED NEGOTIATING AND WE CAN'T EXPECT SUCCESS IN ONE DAY," HE SAID.

ES1228PED 7/29

WHILE THE NEGOTIATIONS WENT ON UNDER WHITE HOUSE PRESSURE, THE SENATE LABOR COMMITTEE SPENT TWO HOURS BEHIND CLOSED DOORS POLISHING THAT LEGISLATIVE SOLUTION TO THE WALKOUT, THEN RECESSED TO AWAIT DEVELOPMENTS IN THE TALKS.

A NEW SESSION WAS SCHEDULED FOR THIS AFTERNOON.

THE MEASURE--EMPOWERING JOHNSON TO ORDER AN END TO THE STRIKE FOR UP TO 180 DAYS--WAS REPORTED FOR A FINAL COMMITTEE VOTE.

BUT SEN. WAYNE MORSE, D-ORE., WHO HAS PROPOSED THAT CONGRESS ITSELF FORCE A HALT TO THE WALKOUT, SAID LEGISLATION MIGHT NOT BE NECESSARY.

MORSE SAID THERE IS A GOOD CHANCE NOW FOR AN ACCEPTABLE, NEGOTIATED SETTLEMENT.

"THERE WAS A VERY IMPORTANT BREAK ON THIS MATTER IN THE EARLY HOURS OF THIS MORNING," MORSE SAID WITHOUT ELABORATION.

REJ2527X 7/22

WASHINGTON--ADD AIRLINES (85)

IN EARLY AFTERNOON, MORE THAN THREE HOURS AFTER THE TALKS GOT UNDER WAY, MOYERS WAS ASKED ABOUT RUMORS THAT AGREEMENT ALREADY HAD BEEN REACHED. HE SAID HE HAD JUST BEEN IN TOUCH WITH SECRETARY OF LABOR W. WILLARD WIRTZ, AND ANY SUCH REPORT WAS WITHOUT SUBSTANCE. THE CONFEREES STAYED AT THEIR TASK THROUGH THE LUNCH HOUR.
PE203PED 7/29

112

BULLETIN

AIRLINE (TOPS 111)

WASHINGTON, (AP)--WHILE AIRLINE STRIKE NEGOTIATORS BARGAINED UNDER WHITE HOUSE SUPERVISION, SEN. WAYNE MORSE ADVISED THE SENATE TODAY THAT THE 22-DAY WALKOUT MAY BE SETTLED BY MONDAY.

PE206PED 7/29

113

WASHINGTON--ADD AIRLINES (112)

THE OREGON DEMOCRAT SAID THERE HAS BEEN "A BREAK IN THE STALEMATE" WHICH LED TO A THREAT OF CONGRESSIONAL ACTION AND PERSONAL INTERVENTION BY PRESIDENT JOHNSON.

MORSE SAID THE NEGOTIATORS ARE NOW TRYING TO WORK OUT A COMPROMISE. AND HE SAID HE HOPES THE STRIKE WILL BE SETTLED BY MONDAY, THOUGH MEDIATION.

MORSE SAID AFL-CIO PRESIDENT GEORGE MEANY HAS EXERCISED INFLUENTIAL STATEMANSHIP IN SEEKING A FAIR SETTLEMENT OF THE MACHINISTS' UNION STRIKE WHICH HAS IDLED FIVE MAJOR AIRLINES.

SEN. JACOB K. JAVITS, R-N.Y., SAID MORSE HIMSELF WOULD BE "ONE OF THE MAJOR ARCHITECTS" IF A NEGOTIATED SETTLEMENT DOES COME.

MORSE SPOKE MOMENTS BEFORE THE SENATE LABOR COMMITTEE WAS TO RECONVENE TO CONSIDER JAVITS' LEGISLATION EMPOWERING JOHNSON TO ORDER AN END TO THE STRIKE FOR UP TO 180 DAYS.

JOHNSON SUMMONED THE NEGOTIATORS TO A WHITE HOUSE SESSION, ADVISED THEM HE WANTS THEM TO REACH AGREEMENT BY COLLECTIVE BARGAINING, THEN SENT THEM TO THE BARGAINING TABLE.

PE210PED 7/29

AIRLINES (TOPS 112)

WASHINGTON, (AP)--WITH WHITE HOUSE NEGOTIATIONS REPORTED MOVING TOWARD A SETTLEMENT, A CONGRESSIONAL MOVE TO HALT THE

22-DAY AIRLINE STRIKE WAS SUSPENDED TODAY UNTIL MONDAY.

"WE WERE ADVISED THAT THERE WERE INTENSIVE AND MEANINGFUL NEGOTIATIONS GOING ON," SAID SEN. LISTER HILL, D-ALA., CHAIRMAN OF THE SENATE LABOR COMMITTEE.

SEN. WAYNE MORSE, D-ORE., SAID THERE WERE GROUNDS FOR HOPE THE WALK-OUT WOULD BE SETTLED BY MONDAY, AND NO ACTION ON LEGISLATION FOR BACK TO WORK ORDERS WOULD BE NECESSARY. HE REPORTED "A BREAK IN THE STALEMATE" WHICH HAD LED HIM TO SEEK CONGRESSIONAL ACTION.

"THEY ARE PROGRESSING VERY WELL," MORSE SAID.

HILL SAID THE COMMITTEE PROPOSAL, AUTHORIZING PRESIDENT JOHNSON TO ORDER AN END TO THE STRIKE FOR UP TO 180 DAYS, WOULD BE SET FOR A FINAL COMMITTEE VOTE AT 11 A.M. MONDAY--IF ACTION IS NECESSARY.

ES404PED 7/29

WASHN--ADD AIRLINES (146)

A SENATE SOURCE CLOSE TO THE SITUATION, WHO DECLINED TO BE QUOTED BY NAME, SAID "THEY'RE VERY CLOSE" AND PREDICTED A SETTLEMENT MIGHT COME WITHIN HOURS.

CR454P 29

filed
August 11, 1966

27 LAG/airlines
LAI-1/airlines
Lines
Carriers
Negotiating
Committee

The agreement reached today between the five airlines and the International Association of Machinists is essentially within the general framework of the Presidential Emergency Board recommendations. Obtaining a settlement within this framework has been the objective of the Administration ever since the Board made its report.

The fact that productivity has advanced so rapidly in the airline industry means, according to all participants in the settlement, that this settlement will not be inflationary. Unit labor costs in air transportation will continue to decline, thus assuring that this settlement will not contribute to any increase in prices.

The details of this agreement must be presented to and thoroughly discussed by the members of this Union ^{order} that they might act upon the recommendation of their leaders this Sunday. As soon as such action is taken by the membership, the full details of the settlement will be made public.

filed
August 11, 1966
A. J. S. L.