Nor can we hope for any relief if it is left up to the decision of the union leaders. As an example of the attitude of some of them, I quote from Mr. Hoffa's statement made in San Francisco August 4 to the telephone workers, on his philosophy of unionism:

It takes a big rich union to wring money out of a big rich company. Little strikes are a waste of time against an employer whose business spans the Nation.

There is no thought given to the public interest. Much has been said of the monopolistic power of business, but the real monopoly today that is creating our problems is the monopoly of organized labor.

In the public interest, laws should be passed to deal with this menacing situation. Strikes, as well as lockouts, should be outlawed. Where there are conflicts, compulsory arbitration should be provided, with the right of appeal by either party to labor courts to be established.

We should not tolerate private groups dominating our Government and our economy by means of organized monopolies. A few men at the top exercising such power constitute a private dictatorship of public policy and must, in the interest of our country, as well as labor itself, be courageously dealt with by both political parties. This can no longer be considered a party issue. It is a most important national issue, almost as important as national defense.

I feel that it is necessary to face up to the basic issues which I have discussed, whether popular or unpopular, and that this is neither the time nor the place for timidity.

In closing, I wish to thank the committee for the opportunity of appearing here today.

Chairman Patman. Thank you, Mr. Eccles.

I want to take advantage of this opportunity to question a witness who, I believe, knows more about the Federal Reserve System than any man in the United States, about some of the practices and procedures and requirements of law concerning the Federal Reserve System, and particularly the Open Market Committee.

Do you consider the Open Market Committee more important, in that it has so much power, than even the Federal Reserve Board, Mr. Eccles?

Mr. Eccles. You cannot separate them. The Board constitutes 7 members out of a 12-member committee, and the Chairman of the Board has always been the Chairman of the Open Market Committee.

The secretary of the Board during my period as Chairman was the secretary of the Committee, and the Director of Research was the economist for the Committee. Therefore, the Committee cannot be considered separate from the Board.

I feel that the Open Market Committee—let me put it this way—the open market function is possibly the most important function of the Federal Reserve System. The Banking Act of 1935, which I had the responsibility of sponsoring, title II of that act, in 1935—I was the Governor at that time and the new bill brought about a change in the organization and I became the first Chairman who had not been Secretary of the Treasury—this bill which I helped to write and sponsor through the Congress, provided that the Open Market Committee be composed of only the Board.

Chairman Patman. That is, as it passed the House.

Mr. Eccles. That is as it was in the bill and it passed the House in that manner. It got bogged down in the Senate and it came out of the conference committee in its present form.