will guide responsible unions and employers, inform public opinion, and have an effect on what goes on at the bargaining table?

Mr. ECCLES. If it can be successful, that would naturally be the preferable thing to do, but when you have a situation such as just existed in northern California—a 60-day strike in the whole northern end of the State by common labor demanding and getting $4 an hour, including fringe benefits, in 2 years and now the carpenters are threatening to strike after being out of work 60 days—then compulsory arbitration may be necessary.

Mr. Goldberg wanted the carpenter leaders to come back to Washington. They refused and indicated he was interfering. That is the immediate situation. The Taft-Hartley bill has been helpful in enabling the President to stop the Pan American Airlines from being shut down. In an attempt by the railroads to eliminate featherbedding the railroad union called a strike which has been temporarily prevented by a court injunction. At this point we don't know what the outcome will be.

If there is some other way of meeting the situation, you may not go so far as a compulsory arbitration, but the public interest is certainly involved when you get to these national issues. You can't have a prolonged strike without affecting the wide public interest. There should be some way of having the public interest protected in these situations instead of considering only the rights of the employer and the unions. It is not only the companies and the unions that are involved, it is the whole public interest. The trend has been in the wrong direction, from my way of thinking.

Representative REUSS. Of course, the public interest has to be involved, and we must seek mechanisms for having it represented at the bargaining table along with labor and management.

I hope you will mull over a little bit whether we need now to adopt by law a nationwide policy which says that nobody can strike and that in every labor dispute there has to be compulsory arbitration. This I respectfully suggest goes much farther than is needed to handle problems of the dimensions we now have.

Chairman PATMAN. Senator Javits.

Senator JAVITS. Mr. Eccles, first I join in welcoming you to our committee and looking into this very critical subject.

I find it very interesting that you do two things which appeal to me very much: One, you advocate an immediate tax cut. The President has dashed the hopes for that and I think that settles it for now.

Mr. ECCLES. I recognize that.

Senator JAVITS. I am sure you do, Mr. Eccles.

Do you feel that this is an unnecessary risk we are running which may edge us over into a recession and not give us any correlative benefit, as you explain, in terms of dealing with the deficit question?

Mr. ECCLES. I do feel that it is a risk we were not justified in taking. I feel when the economy leveled out, the growth seemed to stop and, the unemployed did not decrease, there were certain factors that called for some action.

I don't say we are in a recession, but we are tending in that direction. When growth stops, your tendency is toward a recession. There is always a danger that a situation of that sort can become cumulative