The only thing before us now is that we either have to see a strike take place or we are going to have seizure by the Government, if the Government has the power.

We have limited our discussion to this particular ad hoc resolution. I would think that the questioning would be along those lines and not with respect to a lot of rabbit chasing.

I hate to refer to the rabbits because the gentleman from Washington has already talked about rabbits and foxes. I think he asked that of a gentleman who is named "Wolfe."

I would like, Mr. Chairman, to have 2 additional minutes.

Mr. MACDONALD. I object.

The CHAIRMAN. Objection is heard.

Mr. Brown?

Mr. BROWN. I would like to have the legal opinions from your staff as to any arrangement by which the railroads can be operated.

In the testimony you gave yesterday, you suggested that the employers are taking more of a gamble in a strike and have more to lose in a strike than the employees. Can you elaborate on that just a little for me, please?

Mr. WOLFE. Yes, sir; I shall try to, Congressman Brown.

In the first place, it is going to cost us, as an out-of-pocket cost, $12 million a day.

In the second place, we have no income.

In the third place, whenever there is an interruption of traffic, there is a diversion of traffic to other agencies of transportation. We are now in a highly competitive field. It is no longer a monopoly as it was 50 years ago.

Mr. BROWN. You are suggesting a permanent loss of traffic?

Mr. WOLFE. Yes, sir; I am.

Mr. BROWN. Doesn't that directly, however, also affect the employees?

Mr. WOLFE. Yes, sir; it will definitely affect the employees.

Mr. BROWN. Are there other factors?

Mr. WOLFE. There is this factor: that if this proposal of the President comes on, then we firmly believe that our operating expenses will be increased because there isn't any question but what there will be wage increases.

Mr. BROWN. That goes to the next question I would like to ask. Relative to the $12 million which the strike would cost you, what would settlement on terms that represent the last union offer cost you?

Mr. WOLFE. I gave this to Congressman Springer earlier. As I explained at the time, it was strictly an estimate on my part, but I believe it will be fairly accurate. It would be roughly $130 million a year beginning January 1, 1968; roughly $70 million a year during the year of 1967. Of course, it would be retroactive to January 1, 1967.

Congressman Springer did not ask me this question, but I believe your question is broad enough to cover it: It also would mean, in my opinion, that all the unions with which we have made agreements will immediately move on a catch-up program, and how much that would cost is impossible to estimate at this time.

Mr. BROWN. Would you estimate that it would cost more than $12 million a day?