

its consideration of these parochial areas. Indeed, I think that it might well be that a new Department could be developed such that these parochial interests were outside the interests of that Department.

The Chamber of Commerce has for a long time now been studying the whole subject of labor law reform, and we have proposed that we could achieve a better balance in the activities of the NLRB and the labor laws, if jurisdiction over labor disputes were either turned to the district Federal courts or to labor courts.

I would like to suggest the possibility that the Congress might look at this question of resolving the areas of disagreement between labor and management over this new Department, by isolating these parochial areas in some new institutional arrangement which achieves a better balance of power between labor unions and management than we now have in the NLRB which, as you know, management generally considers to be partisan toward labor union interests.

Senator PERCY. Mr. Goldfinger?

Mr. GOLDFINGER. First, Senator, the AFL-CIO has no position on this, so whatever I say is a personal view.

Secondly, as Dr. Madden indicated, we haven't seen any concrete proposals so that we don't know what is specifically being proposed in any detail.

Thirdly, this proposal may make some sense, in terms of administrative detail. However, in general I am skeptical about it. I would like to see it spelled out, but I am not sure that this is in the long-run interest of either labor or management or of the Nation as a whole.

I fail to see, for example, how a combined Labor-Commerce Department would add to economic growth. Furthermore, in connection with Dr. Madden's comments about the parochial areas of disagreement, perhaps I heard the word "parochial" in a sense that Dr. Madden didn't mean, but it seems to me that there are clear differences of interest as well as clear similarities of interest between labor and management, and, in a free society, the differences as well as the similarities are very important.

I think that in a free society, it is wrong to attempt to stifle or hide these differences. As I see it, a free society should attempt to keep these differences from blowing up into eruptions, violence, and unnecessary struggle.

But one of the things that has made this country strong, I believe, is the very fact that there is a free labor movement as well as free business, and I would not like to see the basic differences between them blurred over and referred to very simply as parochial interests. They are important interests, and they are important differences.

Senator PERCY. Thank you very much. Dr. Sprinkel, I wonder if I could shift the subject for a moment to a point the chairman raised, and get your judgment on the effect on our balance of payments.

Do you expect such a substantial reduction in interest rates this year, and if so, what can we do to offset any increased effect on the balance of payments?

Mr. SPRINKEL. First, let me say that I am very pleased to see two of our leading public servants from Illinois represented on this committee—Senator Percy and Congressman Rumsfeld—and I appreciate the welcome of both of you.

I think we have a very difficult problem in the balance of payments given the kind of an international mechanism we have at the moment.