

U.S. DEPARTMENT OF TRANSPORTATION  
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STATEMENT OF SECRETARY JOHN A. VOLPE BEFORE THE SENATE SUBCOMMITTEE ON LABOR OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE ON S.J. RESOLUTION 187, THURSDAY, JANUARY 27, 1972.

Thank you, Mr. Chairman.

I appreciate the opportunity to appear before you today in support of Senate Joint Resolution 187. I only wish, however, that this was not my third appearance before your Committee in less than a year concerning a strike in the transportation industry. Hopefully, Congress will now see the need to resolve this issue by passing S. 560 and thereby amend our hopelessly antiquated transportation labor relations legislation. Each time I come before this Committee, we agree that something must be done. Each time I come before this Committee, I leave hopeful that a permanent resolution is near at hand. Each time, I am sorry to say, I have been disappointed. But I remain optimistic. It is through the Congress -- through your efforts -- that we shall solve this problem. I sincerely hope that this labor impasse is the last we shall have to solve by short term action.

The proposal we are considering today, Senate Joint Resolution 187, is not a comprehensive solution. It is yet another stop-gap measure meant to solve the crisis at hand. Yet it must be passed -- narrow as it is -- to protect the interest of the American people until a permanent solution is legislated.

As you know, Mr. Chairman, rare is the occasion that I come before the Congress and use harsh words. Unfortunately, this occasion must be an exception.

I find my appearance today discouraging for another reason. As I believe most of you know, I have had a long association with labor unions and still hold a lifetime membership in the International Plasterers Union. I believe in the trade union movement. I know what it has meant to the American working man. Yet, I also know that the participants in the West Coast dock strike cannot be allowed to show a callous disregard for the American people. Frankly, the history of the current West Coast strike is a sorry one. Negotiations have continued on and off for 15 months. Both sides -- management and labor -- have been to blame for a seeming inability to resolve their differences.

Let me just say something which I know this Committee is certainly well aware of, but which I think bears repeating. Strikes and lockouts are economic tools of labor and management. They are meant to assert pressure, to change values and constraints, to make settlement preferable to the continuation of the status quo. This dock strike, however, is similar to many transportation strikes in that its economic effects fall heavily on the shoulders of people not directly involved. The people truly affected are the farmers whose crops lie rotting while the entire Pacific marketplace is closed to them. The people truly affected are the Hawaiian housewives who pay exorbitant prices for everyday goods which must be airlifted from the mainland.

And what of the factory workers who must be laid off because their factory can neither receive its raw materials nor deliver its finished products? And what of the West Coast where an additional 1.6% unemployment will be added on to an already severe unemployment problem? What of solidarity now?

And what of our country's economic health? We are now deeply involved in, and individually committed to, phase two of the President's new economic policy. All of us -- not just management -- not just labor -- not just the housewife -- but all Americans must strive to break the cruel inflationary spiral which saps our prosperity and standard of living. We are now, after a broad revaluation of our country's currency, for the first time in a great while able to compete successfully in European and Asian markets. How can we allow 13,000 dock workers to smash the hopes of economic stability of more than 200 million Americans? There is too much at stake to allow so few to harm so many.

If you think these are harsh words, just look at our projections, based on an analysis of last September's dock strike.

The losses in service industries which are directly involved in the dispute are estimated to be about 8 million dollars a week. The loss to the shipping industry is estimated at 3 million dollars a week, and the loss to the inland transportation companies, 5 million dollars per week. Greater losses will appear in the wholesale and retail trade sectors -- 29 million dollars per week -- and in the industrial and

agricultural sectors of the economy -- 46 million dollars per week. These losses add up to a 3.4% reduction in the regional product of the West Coast States measured at a weekly rate at the height of impact.

Depending upon the inventories and amount of storage facility available, the losses caused by the strike would begin within days after the strike and would build to a peak in about 8 weeks. Due to the previous work stoppage, inventories are probably in a more serious condition now than at the beginning of the conflict last July.

The peak employment impact, not including agriculture, would be as follows:

shipping	5 thousand people out of work
port services	18 thousand people out of work
inland transportation	10 thousand people out of work
trade	7 thousand people out of work
industry	148 thousand people out of work

The proposal the Administration brings before you today was outlined and explained earlier by Secretary Hodgson. I shall not repeat his statement. Let me only say this: compulsory arbitration should be the last choice in any free economic society, but we have reached a point where there is left only that last choice. Compulsory arbitration is neither pro-management nor pro-labor. It should only be considered a temporary solution. In the future -- and I hope the very near future -- you shall see fit to enact a more comprehensive measure. Now, however, you must move forward immediately to meet the crisis at hand. I am confident that the Congress will act in the public interest.