

INTERVIEW WITH THEODORE W. KHEEL, INTERVIEWEE  
BY RICHARD ADELMAN, INTERVIEWER  
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**RICHARD ADELMAN:** I AM DICK ADELMAN AND I'M HERE INTERVIEWING THEODORE W. KHEEL, WHO I WILL CALL TED, FOR THE ARCHIVES OF THE NATIONAL ACADEMY OF ARBITRATORS. BEFORE WE BEGIN, I WOULD JUST LIKE TO SAY THAT IT'S A PARTICULAR PLEASURE FOR ME TO BE ABLE TO DO THIS SINCE I THINK I OWE MY SUCCESS AS AN ARBITRATOR TO THE MENTORING AND GUIDANCE AND EVERYTHING ELSE THAT TED HAS DONE FOR ME OVER THE YEARS. SO WE CAN BEGIN.

ALL RIGHT, TED, WOULD YOU TELL US, WE ARE GOING THROUGH YOUR BACKGROUND: WHEN YOU WERE BORN, WHERE YOU WERE BORN, AND TELL US ABOUT YOUR EDUCATION.

**TED KHEEL:** I was born in 1914, in New York City--Brooklyn actually, and I grew up in New York. I went to the New York public schools, and the Dewitt Clinton High School. Then I enrolled in Cornell University, which was really the first time that I'd been outside New York City. I was an undergraduate at Cornell from 1931 to '35. In my last year in the Arts College, I was able to enroll in the Law School, and get credit in both schools for the fourth year. I graduated from the law school in 1937, and began to look for a job, which was not easy.

**RICHARD ADELMAN:** AT THIS POINT, YOU HAD NO IDEA THAT YOU WANTED TO BE INVOLVED IN LABOR RELATIONS?

**TED KHEEL:** Not the slightest.

**RICHARD ADELMAN:** AND THERE WAS NO ILR SCHOOL IN THOSE DAYS?

**TED KHEEL:** There was no ILR School, the ILR School came into existence in 1945. I got a job in New York with a single practitioner. He paid me \$5 for the opening week, but I did such good work that he doubled my salary to \$10, and the following week to fifteen -- only a 33 and 1/3 percent increase, and a fourth increase to \$25 at the end of the fourth week. That's where I remained, at \$25 a week, until I was advised by my mother-in-law, who had a nephew with the National Labor Relations Board in Washington, DC, that they were hiring lawyers, so I applied. I got an endorsement from Senator Robert Wagner, and, in any event, I was offered a job with the Board at the P1 rate.

At that time, they had a compensation scale for professionals that went from P1 to meet P10. The Chairman of the National Regulations Board was P10. That was \$10,000. P1 was \$2,000, which was an improvement for me because \$2000 would be \$40 a week, and I was getting \$25.

**RICHARD ADELMAN:** DID YOU MOVE TO WASHINGTON TO TAKE THIS JOB?

**TED KHEEL:** Yes, I moved to Washington to take the job. I turned up at the appointed hour and I was given a copy of the

Third Annual Report to study. I had a desk and bookcase and a chair. The first day a man came into my office and said, "I am Chairman of the National Labor Relations Board Union, how much are you being paid?" I said, "P1, 2,000." He said, "When did you get out of law school?" I said, "Thirty-seven." He said, "Under our contract you're entitled to P2. File a grievance." So I looked at him, a little startled at the prospect at filing a grievance on my first day in the job that paid me \$15 more a week than I had been getting. He detected my hesitation, and said, "If you don't file a grievance, we will. We have to protect our contract." So I filed a grievance, and shortly thereafter, I was given P2 status at \$2,600 a year. From that time on I have believed in trade unions.

Now, I stayed at the Board until Pearl Harbor on December 7, 1941. I was playing chess that day with Harold Leventhal, who had been a Supreme Court Justice Clerk, and was with the Office of Price Administration (OPA). We were playing chess. He was playing blindfold, though, not actually blindfold. He had his back to the board, and we'd call out our moves: King one to King two or, whatever--there's a way of moving pieces in chess. He was beating me blindfolded when the phone rang, and it was his boss, who was the General Council of the OPA -- I'll think of his name in a moment. He said, "Pearl Harbor has been bombed. Come down here at once." And that's how I learned about Pearl Harbor.

Previous thereto, Franklin Roosevelt had created a National Defense Mediation Board, part of Franklin Roosevelt's program to help the allies as much as he could against the American Firsters, who wanted no part in the war. Roosevelt had created the National Defense Mediation Board to resolve disputes that might interfere with the production of armaments that would be made available to the allies. With Pearl Harbor, the decision was made to turn that into the National War Labor Board, and the National War Labor Board was created. It followed the National War Labor Board of World War I, and it was a tripartite Board.

**RICHARD ADELMAN:** WELL, HOW DID YOU GET TO THE WAR LABOR BOARD?

**TED KHEEL:** One of my friends at the NLRB was Lewis Gill, who had gone over to the War Labor Board. He told me they were hiring, and I applied. At first I was offered a job on the National Defense Mediation Board, and I told that to the General Counsel, Bob Watts at the NLRB. He immediately said, "Stay here and we'll increase your pay to P3." That was \$3200. But then, when the War Labor Board came into existence, I was offered a job at P4 at \$3800, and I went over there. The War Labor Board was in formation, and I was I was put in charge of resolving disputes, which I would do by telephone.

**RICHARD ADELMAN:** WHAT KIND OF DISPUTES ARE WE TALKING ABOUT?

**TED KHEEL:** They were disputes interfering with the war efforts.

**RICHARD ADELMAN:** WERE THEY LABOR DISPUTES AS WE KNOW THEM?

**TED KHEEL:** Labor disputes. The Army would call up and say, "There's a strike at the XYZ plant that's making bullets and we need the bullets desperately. What are you going to do about it?" So, I would call up the parties and, and in a sense mediate, but, it was a pushover. You would say, "Do you know there's a war on? Do you know that your sons and daughters are being killed? And are you going to interfere with the effort?" That made the resolution of disputes a lot easier.

**RICHARD ADELMAN:** WERE YOU STILL IN WASHINGTON WHILE YOU WERE DOING THIS?

**TED KHEEL:** I was in Washington. All day long I'd be on the telephone. I remember one in particular. It was a dispute at the Olin Company. They were making armaments, and the UAW won an election. The company contested the election. They raised questions about it. So there was no certification until the Board passed on the objections.

In the meantime, the UAW threatened to strike if the Company wasn't willing to handle grievances. The Union said that while it would not contest the Company's right to challenge the election, they had lots of grievances, and something had to be done about them. And, they were going to strike over that. In response, the Company said, "We won't recognize the UAW until our objections have been passed on." Well, I'm on the phone back and forth and I said, "Supposing the War Labor Board recognizes the Union on grievances," and the Company said, "If the whole Board wants to do it, we can't stop the Board." So I went into the Board -- the Board had twelve members: four public, four labor, four industry -- and I said, "There is a dispute involving the Olin Company. The Army desperately needs the armaments and there is this dispute about recognition, and I've proposed that the Board recognize the Union on grievances." So the War Labor Board voted to recognize the UAW. As I walked out of the hallway, there was Ronnie, Ronnie --

**RICHARD ADELMAN:** [INTERRUPTING] HAUGHTON?

**TED KHEEL:** Haughton. Ronnie Haughton was one of our assistants there. And I said, "Ronnie, Ronnie, we've just recognized the UAW in grievances in East Illinois." I think that was the address. "Go out there and handle the grievances." So he left immediately. In the meantime, Roosevelt had proposed legislation to regulate wages and prices, and that legislation was pending. Finally, it was passed, and Roosevelt issued an Executive Order in which the OPA, Office of Price Administration, was given the legal authority to regulate prices, and the War Labor Board was given the job of regulating wages.

At this point, we were all called in to a meeting, and a decision was made to regionalize the Board. Up until this time, the Board was in Washington. And oh, I should tell you something else before I talk about what happened.

This tripartite Board would get a dispute and they would send some of us out as mediators. In other cases they would have a tripartite board that would do mediation, one from industry, one from labor, one from the public. And this was my first opportunity at mediation other than the telephone calls I made, which you might consider mediation. But they were quite easy when you say, "You know there's a war on. Are you going to strike?" That helps.

So, a Board was appointed. On it was Cyrus Ching, who was the labor relations man at the US Rubber Company. He was liberal, but he was well regarded in all circles. He was on the panel, and there was--I don't remember the other two, one public and one labor member. While they were deliberating, I resolved the dispute. I got to talk to the union, and I got to talk to the company, and that is the beginning of my education as a mediator, it was at the War Labor Board when I was an assistant to a tripartite board. I found that I had a facility to resolve disputes. And then, I did a number of other mediations. I went to Rhode Island, where there was a major dispute. These were all disputes where the Army was saying, you got to get them resolved.

**RICHARD ADELMAN:** WAS THIS WHILE YOU WERE STILL IN WASHINGTON?

**TED KHEEL:** Yes, I was still in Washington. I was still in Washington. This was before the War Labor Board, and I was given the job of regulating wages. Twelve regional boards were created, and because I was there, and other people were there, -- all of them became well known in later years in the field of mediation and arbitration -- and you would go to here and there.

I was assigned to Cleveland. And a man named Bob Abelow--do you know the name?

**RICHARD ADELMAN:** I'M NOT FAMILIAR WITH IT.

**TED KHEEL:** Bob Abelow was sent to New York, but George Meany, who was one of the four labor members of the Board, knew Abelow from New York. Apparently, Bob Abelow had been involved in a dispute, and it didn't satisfy Meany. So Meany objected to Abelow, and what they did is, they transferred him to Cleveland and assigned me to New York.

**RICHARD ADELMAN:** HOW EARLY IN THE WAR WAS THIS? WAS THIS IN LIKE 1942?

**TED KHEEL:** Nineteen Forty-Two. It was 1942, '43. That's when it was. The war was on, and I was assigned to New York. I came to New York and I created the New York War Labor Board. The idea was to have it in the image of the National War Labor Board

- four industry, four labor, and four public members, and I was the Chairman of the New York War Labor Board.

**RICHARD ADELMAN:** WERE YOU ONE OF THE PUBLIC MEMBERS?

**TED KHEEL:** I was one of the public members. I was one of the public members and I was also the administrator. I hired the staff, and I rented space in the Daily News Building on 42nd Street. We had offices there and the Board was created. Our job was to regulate wages and to resolve disputes, both. But, the wage regulation became the dominant factor because with so many of the boys and girls, men and women, who would be in the labor force in the Armed Forces, there was a shortage of labor.

Employers were anxious to get help, and so, they would look for ways to increase wages. This was a totally different psychology. It was not where the employer was against the wage increase and the union was in favor of the increase. The employers wanted increases, and I became a speaker on the circuit of employer organizations, where I would talk about the rules. We had rules on what the Board--George Taylor was the genius. He was the Vice Chairman of the Board. William H. Davis was the Chairman. Wayne Morse was a public member and so was Frank Graham of North Carolina. They were the four original members. And Lloyd Garrison was made the Executive Director. Then at one point, Wayne Morse, who was kind of a maverick, left the Board to run for the Senate in Oregon, and Lloyd Garrison was named to the Board.

I was doing well in New York City, and they made me the Executive Director, which probably was one of the most unjustified appointments the Board ever made.

**RICHARD ADELMAN:** WHAT YEAR WAS THIS?

**TED KHEEL:** This had to be in '44.

**RICHARD ADELMAN:** DID THE BOARD SIT IN NEW YORK OR IN WASHINGTON?

**TED KHEEL:** The national board was in Washington. My regional board was in New York.

**RICHARD ADELMAN:** AND, YOU WERE EXECUTIVE DIRECTOR OF THE REGIONAL BOARD?

**TED KHEEL:** No. The Director.

**RICHARD ADELMAN:** OF THE REGION?

**TED KHEEL:** I was Chairman of the region, and, then I was appointed Executive Director of the National Board.

**RICHARD ADELMAN:** BUT YOU STAYED IN NEW YORK AND CONTINUED TO BE THE--

**TED KHEEL:** (Interrupting) No, no.

**RICHARD ADELMAN:** NO? YOU WENT DOWN TO WASHINGTON AGAIN?

**TED KHEEL:** I went back to Washington to fill a job for which I was totally unqualified. I thought in accepting it, I'd be settling disputes with John L. Lewis and so forth and so on. But, what I was in charge of doing is deciding where boards

should be located, what the budget should be, and all these administrative things for which I had no qualifications whatsoever. I only was better qualified than the Chairman.

We went together to appear before appear before Congress in support of our budget. We had to appear before a Congressional Committee. And William Davis, he was fabulous. He painted with a broad brush. They asked him questions and he made up answers.

They were totally inaccurate. But they have a rule in the Congress. If you testify before a committee, you can change your testimony the next day. You have 24 hours to correct misstatements. So Davis testified and where he said day, we made it night. When he said black, we made it blue. So his testimony was printed, and it was all right as he gave it.

And I remember one occasion. Davis was a patent lawyer in New York from a major law firm that did patent work. He became Chairman of the War Labor Board and he was in New York, and we had all of these rules, what you can do voluntarily in the way of promotional increases, or in the way of seniority increases. There was a whole slew of numbers, and I'm with Davis. He's the Chairman, and he leans over to me and he says, "Ted, in our law firm"--he still had a connection with the firm -- "we want to give our secretaries an increase. Is that permissible?" So, it was the Chairman asking me what he could about wage increases.

**RICHARD ADELMAN:** DID YOU HAVE ANY INVOLVEMENT IN MEDIATION IN THAT POSITION?

**TED KHEEL:** Yes. I had an involvement in mediation in that position. That particular aspect of the job attracted me, the regulation of wages, on which I was an authority. I remember speaking to the Commerce and Industry Association after it had just been announced that the Congress just passed a victory tax, a 5 percent victory tax. One of the questions put to me was could they take the victory tax into account in regulating wage benefits and so forth? I said, "Yes, that would be permissible."

The next day there was an article in the Times, "Victory Tax Can Be Absorbed." And I said, "That's just what I said. That's me."

Things like that would happen in the rush of things, with so much to be done. I had many experiences with the job here in New York.

And, then I went to Washington, where I was not at all happy because I was out of my element.

**RICHARD ADELMAN:** DID YOU INTERACT WITH THE OTHER PEOPLE WHO WERE IN CHARGE OF REGIONS AROUND THE COUNTRY?

**TED KHEEL:** Oh, yes. I did. The Cleveland chairman was Lew Gill. Lew Gill was a very close friend of mine in Washington. I was invited to speak in Cleveland, and Lew insisted that he had the right of introducing me. He said that I was coming to Cleveland and I would talk about the War Labor Board, and price

and wage regulation. He said, then I'd go back to New York City and leave him to administer whatever it was I said. He told me it reminded him of the two drunks that were walking down the street, and a bird flew over one of them and spotted him on the shoulder with a little bird dropping. And the drunk asks his buddy, "What should we do?" The buddy says, "Why don't you get some toilet paper?", and the drunk says, "But the bird will be a mile off by now." That was my introduction, and Lew said, "I'm going to be back in New York."

**RICHARD ADELMAN:** NEW YORK?

**TED KHEEL:** He'd have to administer all of the mistakes that I made.

**RICHARD ADELMAN:** DID YOU STAY IN THAT POSITION THROUGH THE END OF THE WAR?

**TED KHEEL:** Yes, through the end of the war, and at the end of the war, I moved back to New York City.

**RICHARD ADELMAN:** IN WHAT CAPACITY?

**TED KHEEL:** I had some interesting experiences in the process of returning to New York. A man named George Kirstein had become the Executive Director of the National War Labor Board before I was appointed. He was connected with the Kirstein family that was in the department store business. He was with Bloomingdale's, and when the war ended, he decided to form a labor consulting business. He asked me to join him, and I agreed.

Now, I had become friendly with the head of the wholesale and retail workers, Sam, Sam whatever his last was. I talked to him, and he said, "You're a lawyer, you ought to stay a lawyer. You've got a professional degree."

So I went back to George, and told him, "I'm sorry George, but I'm not going to go with you as a labor consultant." He was very disappointed, and he said, "Why don't you come, and you can practice law and work with me also? You don't have to give up your legal professional career." So I went to the Bar Association and asked if this was a proper affiliation. They said a lawyer could be in partnership with a non-lawyer, but a non-lawyer can't be in partnership with a lawyer. So we agreed that I would practice law.

George opened an office at 50 Broadway, and I had an office and a secretary and the salary he was paying me. We agreed that he was going to pay me \$15,000 a year, that was a lot of money, and if I worked for a client for some hours, we would subtract the hours from my \$15,000 and I would keep the fee, because I couldn't share a fee.

So we went into business, and the first client is one with an old legal problem. I think it was IBM. They needed to get something approved. So I handled it, and they paid me \$10,000.

That took one hour, and that was a one-hour reduction in my compensation. Then the next was client also had a legal problem.

At the end of the month, we decided that he wouldn't pay me a salary. At the end of another month, I began to pay for the secretary. And at the end of another month, I began to pay for rent. Then another month, we disassociated ourselves.

**RICHARD ADELMAN:** WERE THEY LABOR RELATIONS PROBLEMS?

**TED KHEEL:** They were labor relations problems. But then, a man named Edward C. McGuire, who was very much involved in the labor movement, particularly on the AFL side, at that time it was the AFL and the CIO, got Mayor O'Dwyer to create a Division of Labor Relations, and he asked me to become his deputy, and I agreed.

**RICHARD ADELMAN:** WHAT YEAR WAS THIS?

**TED KHEEL:** This had to be--well, actually, it came about this way, first. It was '45. The war ended in '45. And, that's a seminal year. So many things happened in '45. When you go to mark out events in history, that's a turning point. The war ended, Roosevelt died, the United Nations was created, Hiroshima was bombed, and I returned to New York, where Ed McGuire hired me as the Deputy, and we began resolving disputes in New York City.

There were so many interesting ones: the transition from a war economy to a peace economy, and the adjustments that had to be made. During the war, the unions couldn't strike. They could strike, but all kinds of pressures would be put upon them. There were restrictions on wage increases, and restriction on prices during the war, and all of that was removed.

And the unions came out of the woodwork. Here in New York, there was the Transport Workers Union, the CIO union that organized the subway system. And there was a serious problem because the Board of Estimate of the City of New York controlled the prices, the fares that the subway system could charge.

The subway system had three parts that were built at different times. The first was the IRT, Interborough Rapid Transit, which opened in 1904 at five cents per fare. Then they built the BMT, Brooklyn Manhattan Transit, in 1910 or 12. Both of these were privately owned transit systems, and they were public companies. Then the third one was the IND that was built by the City, and it was owned by the City, but the fare was regulated by the Board of Estimate. The Board of Estimate consisted of the Mayor, the President of the City Council, the Borough Presidents and the Comptroller, all of whom stand for election, and none of whom would vote for a fare increase. So the result was that the subway systems went into a receivership.

And Mayor LaGuardia socialized the systems. He took over all of the systems. But they were still under the Board of Estimate as to fare increases. Now, the Transport Workers Union,



was controlled by the left wing. Mike Quill was the President, and he was on the Executive Committee of the Communist Party. But, he testified under oath that he was not a Communist. He told me he never joined the party, that he was on the Executive Committee, but that he never joined the party. So the Dies Committee, which was on this hunt for Communists, could not indict him for testifying falsely because he was not a member of the party. He was only on the Executive Committee.

During the war, the Union was very docile, but then the war ended. Also, what happened is that LaGuardia took the position that there could not be exclusive recognition. Under the National Labor Relations Act, which was in force, the Transport Workers Union was the exclusive bargaining agent of the IRT and the BMT part of the system. But LaGuardia said that under the State Constitution, there couldn't be exclusive recognition because the Constitution says that everyone has the right to be represented, so if some of the employees wanted to be represented by a different union, they had that right under the State Constitution.

So, Quill, at that moment, made a demand for exclusive recognition, and for a wage increase coming out of the war, and he threatened to strike. This was 1945. Ed McGuire was Mayor O'Dwyer's assistant, and they had an all-night session at City Hall, and it was agreed to have a five-man board to make recommendations. Arthur Meyer, who was Chairman of the State Labor Relations Board, was made the Chairman. Anna Rosenberg, who was quite active in union affairs and worked with Franklin Roosevelt, was named, Samuel I. Rosenman, who was the speech writer for Roosevelt, a lawyer in New York from the firm of Rosenark, Rosenman, Goldmark & Collins, he was named. Edward P. Mulrooney, the former Police Commissioner was named, and I was named. My instructions were to keep an eye on Arthur Meyer because he was very close to the unions, that he'd give the store away, you see. So that was on page one.

The papers had pictures of all of these gray beards, and they had my picture taken when I was a member of the Junior Prom Committee at Cornell. And, I looked younger than I actually was, which was about seventeen or eighteen. So, the New York Times had these photographs and the only picture they had of me was from the Junior Prom Committee.

So we took testimony, and then we met in the apartment of Sam Rosenman, which was on 59th Street facing Central Park. It had a balcony. It was June or July, and it was a hot summer night, and Arthur Meyer undertook to write our reports. Now, Arthur Meyer had never been to college, but he was a great admirer of Shakespeare, and he loved multi-syllable words. So, he read his report, and as he read, I was saying to myself, "Oh, my God, I hope I don't have to sign that report." It was awful.

When he finished, he looked up and he was ready. "Arthur, you wrote a great report." It was Anna Rosenberg, and she said just that, "Arthur, great report. There's only one thing wrong." He said, "What's that?", and she said, "Nobody will understand what you said." He got so mad, he got up and walked out and we were left.

I suggested that Sam Rosenman, who had written speeches for Roosevelt, be asked to rewrite the report. That was agreed, and he said, "I'll do it if you'll work with me." So I worked with him. He'd read a sentence, and he'd say, "What does that mean?"

I'd explained what it meant, and he would say, "Well, why don't we say that?" So we wrote the report. The report came out and it was applauded, and it was the beginning of the unionization of the workforce of the City.

Prior thereto, the deal had been that there could not be collective bargaining in the City system, as it was done in private industry. There could be representation of the employees, and what they would do is they would seek a wage increase. They'd get a lawyer and he would negotiate for them, and they'd raise a question about section so and so, what rates could be paid, and so forth and so on. But, there was no collective bargaining with the right to strike. And, many of the organizations, like the Policeman's Benevolence Association, were not unions. It was not a union, but it acted jointly for the police.

So the Transport Workers Union came in from the private sector where they had collective bargaining rights, and the first question we were asked was could there be exclusive recognition?

Our answer was that the corporation counsel said, it couldn't be under the State Constitution, that any employee could pick whomever he wanted to represent him. During the war, what had happened is that once Mayor LaGuardia said there could be multiple unions, the question arose, but the corporation counsel told us there could not be exclusive recognition. So, we said there could be multiple unions, and there could be the first among many because once a union set the criteria for an increase, the others would fall inline. So, we said no exclusive recognition, but the dominant union could be the first among equals. That was number one.

Then they asked, could there be arbitration of grievances? The corporation counsel said they, the city agencies, could not delegate their authority to a third person. They had a statutory responsibility. So, we said there could be advisory arbitration.

Then the issue was could there be a written contract? The answer was no, there couldn't be a written contract. So, we said, what about a Memorandum of Understanding? And that was accepted.

Let me see, the wage part of it came later. And that report was saluted as a breakthrough in union-municipal labor relations.

The basics were first among many, Memorandum of Understanding, rather than a contract, arbitration by advisory arbitration of grievances and so forth and so on.

**RICHARD ADELMAN:** AND A LOT OF THOSE THINGS STAYED IN PLACE FOR MANY YEARS.

**TED KHEEL:** For many years.

**RICHARD ADELMAN:** AT THIS TIME, WERE THERE OTHER MEMBERS OF THE WAR LABOR BOARD WHO WERE DOING SIMILAR KINDS OF THINGS AROUND THE COUNTRY? WE ALWAYS HEAR THAT THIS WAS THE GENESIS OF THE NATIONAL ACADEMY.

**TED KHEEL:** No question about it. No question about it. The people who were on the War Labor Board, Lew Gill and, oh, God, I can't remember their names now, all over the country, they became known in their own communities. They became known nationally. George Taylor, William H. Davis, Wayne Morse, all became involved, and what I have that you will find interesting, I told about this.

**RICHARD ADELMAN:** THAT WOULD BE THE PERFORMANCE AT THE END OF THE WAR LABOR BOARD?

**TED KHEEL:** Yeah.

**RICHARD ADELMAN:** YOU'VE TOLD ME ABOUT THAT. SO AT WHAT POINT DID SOME OF THOSE PEOPLE GET TOGETHER AND DECIDE TO FORM A NATIONAL ACADEMY?

**TED KHEEL:** In the changeover from the war to this civilian economy, and where so much was learned during the war about the mediation of disputes, and the arbitration of disputes, the decision to form a National Academy was made. I don't remember exactly when but it was out of this whole group of people --

**RICHARD ADELMAN:** WELL, THE ACTUAL FOUNDING DATE IS 1947, IN CHICAGO. IN FACT, WE CELEBRATED OUR 50TH ANNIVERSARY IN 1997. BUT, DO YOU RECALL CONVERSATIONS GOING BACK AND FORTH AT THAT TIME?

**TED KHEEL:** I do. Yeah. I do. Nate Feinsinger and Lloyd Garrison and a bunch of others. And Carroll Dougherty, Jesse Friedin. And here in New York it was William H. Davis. Taylor was in Philadelphia, he had a couple of guys that worked with him in Philadelphia. What were their names?

**RICHARD ADELMAN:** WELL, THERE WERE STEEL GUYS, LIKE RALPH SEWARD.

**TED KHEEL:** Ralph Seward. Yes, they all got together. I was with them, but I was not one of the leaders in the formation of the National Academy. But, I was a member. Then Tom Neblett was in California.

**RICHARD ADELMAN:** RON HAUGHTON? WAS HE ONE OF THEM?

**TED KHEEL:** Ron Haughton was one. Yes, definitely. I'd recognize the names if--

**RICHARD ADELMAN:** SO YOU DIDN'T HAVE ANY MAJOR ROLE IN THE DEVELOPMENT OF THE ACADEMY?

**TED KHEEL:** I didn't have. No. I was just a tag-along. I was not one of the leaders in its formation.

**RICHARD ADELMAN:** I KNOW THAT YOU PRACTICE LAW, AND THAT YOU MEDIATE AND ARBITRATE AT THE SAME TIME. AND THERE WAS A POINT AT WHICH THE ACADEMY SEPARATED THE ADVOCATES TO BE A NEUTRAL ORGANIZATION AND SOME WERE GRANDFATHERED. WERE THE PEOPLE FROM THE WAR LABOR BOARD MORE NEUTRAL FOLKS?

**TED KHEEL:** Well, they weren't necessarily. But take Saul Wallin. He was not a lawyer. Tom Neblett wasn't a lawyer. You didn't have to be a lawyer to be an arbitrator.

**RICHARD ADELMAN:** STILL DON'T.

**TED KHEEL:** Still don't. So, my recollection is dim on that because I was not one of the leaders. Where I was a leader, I remember pretty vividly.

**RICHARD ADELMAN:** ALL RIGHT, LET'S GET BACK TO SOME OF THE LABOR DISPUTES THAT YOU WERE INVOLVED IN. YOU WERE THE ASSISTANT, IN THE O'DWYER ADMINISTRATION, TO MCINTYRE, WAS THAT HIS NAME?

**TED KHEEL:** McGuire.

**RICHARD ADELMAN:** MCGUIRE. AND THEN WHAT DEVELOPED FROM THERE?

**TED KHEEL:** Well, he decided to quit and go into private practice and I took his place. And, at that time, it began to change, and the change was most vividly demonstrated by Ed Koch.

O'Dwyer loved to be involved in the settlement of labor disputes. At a later date, Koch discovered that so often, as the result of a settlement, after everybody shook everybody's hand, prices would go up, so from the political point of view, the unions became less attractive. The settlement of the dispute is a great relief. There will be no strike, there will be no subway strike, there will be no elevator strike. It was greeted with pleasure by the public. But then when they found that their prices went up, they weren't as happy. And what Ed Koch discovered was that he could get more support by opposing the unions and by opposing the settlements than he could by doing what LaGuardia or what O'Dwyer did.

**RICHARD ADELMAN:** KIND OF JUMPING AHEAD THIRTY YEARS BETWEEN O'DWYER AND KOCH.

**TED KHEEL:** But with O'Dwyer, I would call him up at three or four in the morning and say, "Mr. Mayor," "General," I called him. He was a General in the Army. "General, we're pretty close to a settlement." He'd say, "Hold it. I'll be right down." So, he would come down to where we were meeting and announce the settlement. He was very good, too. I'd come in and give him a report on where the dispute was. And these were all matters attracting public attention: Longshore strike, trucking strike, garbage strike, transit strike. I'd come in and give him a

report, and immediately he knew what to say. It was a pleasure to work with him. What I was able to do was use the City Hall as a backdrop. We actually had mediations in City Hall.

**RICHARD ADELMAN:** I THINK THE CURRENT MAYOR, BLOOMBERG, IS DOING SOME OF THAT.

**TED KHEEL:** Bloomberg, yeah. What they would do is the whole staff there was working with me. They would be able to listen in on the telephone calls of some of the companies, the unions, and so they'd have the information.

**RICHARD ADELMAN:** BUT, YOU REMAINED INVOLVED IN LABOR DISPUTES EVEN AFTER YOU WERE NO LONGER EMPLOYED BY THE CITY. HOW DID THAT COME ABOUT?

**TED KHEEL:** It came about because the mayor called on me. I actually became the Impartial Chairman in the Transit Industry in 1949, I think. The union had lots of internal problems, and when I was named the Chairman, it was in face of a number of wildcat strikes. And my appointment was viewed as peace in our time. From now on, they'll be no strikes. Because I would be the Czar.

I was the Czar. And, the Czar would settle all disputes. Two weeks later, a dispute broke out in the 54th Street garage, I think it was, and, Quill, didn't know about it. The strike was by an opposition group to Quill. He didn't know about it. But, as soon as he found out, he expanded the strike. He had no control over the 54th Street Garage, the opposition group that was on strike, but by expanding the strike to the whole city, he had a majority of the people who were ready to follow him. So to make it better, he made it worse. And the Herald Tribune had an editorial, lead editorial: "Mr. Kheel Should Resign." This was like two weeks after I was appointed as Czar with peace in our time. And so, I had to figure out what to do. I told the paper, "Making a decision in the middle of the dispute would be a mistake, but I'll have something to say when the dispute is over." So that bought me time.

**RICHARD ADELMAN:** WERE YOU INVOLVED IN MEDIATING DISPUTES?

**TED KHEEL:** Sure. I became involved in the mediation of the dispute. Quill was anxious to have better control, too, so we worked out a settlement that increased my powers. Actually, it was a great help in giving stability to the transit situation, and we announced that after the strike was over.

**RICHARD ADELMAN:** SO NOT ONLY DIDN'T YOU RESIGN, BUT YOU ENDED UP GETTING MORE POWER.

**TED KHEEL:** Yes, I ended up getting more power, and I worked with Quill. He was a delight to work with because his public statements were unrelated to what he really had in mind. He didn't like strikes. He wanted to avoid strikes, but he used the threat, what he called the exploitation of potential force, which is what Toussaint (Roger Toussaint, then the President of

the Transport Workers Union) didn't know. See, it's one thing to threaten to strike. That has value, but it's another thing to strike. That has liability.

And we went through one, we had one negotiation where George Taylor and David Cole were co-mediators with me. I think this was, I don't know, '61 or thereabouts. There would be a transit dispute every two years, and that year, Quill was demanding a four-day week for the same pay the people were getting for five days. And that was 20 percent to begin with, but then they'd have to hire more people or pay overtime on the fifth day. So, it was utterly ridiculous. And David Cole and George Taylor said, "There's going to be a strike. He's so far out on a limb that there's no way that he can crawl back without a strike."

So we come to New Year's Eve when the contract expires. We went all night, and nine o'clock in the morning there's a settlement. No four-day week. A reporter asks, "Mr. Quill, you threatened you'd never settle without a four-day week. What made you change your mind?" He said, "Common sense. Next question."

Now, what Toussaint didn't understand is that he had leverage when he was threatening to strike, but that as soon as he struck, he set in motion so many other factors that he had to be the loser. And then, the Authority, you know, I had lunch yesterday with Dan Crimmins, who is Calico's deputy. And he said, "What do you think?" He says, "Now, they won't agree to what they had agreed to before."

**RICHARD ADELMAN:** YOU MEAN THE TRANSIT AUTHORITY WON'T AGREE?

**TED KHEEL:** The Transit Authority won't. And, also at one point I had some of Touissant's people come in to see me. I said to them that when he lost the contract ratification by seven votes, that what he should say is this is a good contract and we're going to see it through, and we'll have another vote. And the Authority should say, we will not give one penny more. We will not bargain collectively. They did all of the wrong things.

That's what we did in the newspaper strike, in 1963. After a long time, we had a settlement. What the situation then was that the union, the International Typographical Union, was paying strike benefits so that when you eliminate the tax factor, the people were getting more money and they were working elsewhere. So the strikers had no incentive to vote to end the strike. But, all the other employees were paying ten dollars a week. So, the non-strikers wanted to end the strike and the strikers wanted to continue it. We finally had a settlement and the vote was to take place on 34th Street, in the Manhattan Center. The strikers filled the hall first, and, they voted down the settlement, you see. So I was asked what should they would do? I told them the employers have got to say, not one penny more, that we won't even bargain on it.

And then Burt Powers (President of the Union) called me and asked, "can we get the voting machines?" So I called the City, and the City said, yes, we'll lend you the voting machines. We called Madison Square Garden, and they said they had an ice hockey game at twelve o'clock, can we have the vote before then?

So we had three hours for the vote, and when all the employees were able to vote, the strikers and the non-strikers, they approved the plan. See, so they --in the Transit situation -- did the wrong thing. They had an agreement, and it was in Toussaint's interest that he not get any more, and it was in the Authority's interest that they not offer any more. They both should have taken the position that there will be no further negotiations. They either do this or they can go out on the strike. But Toissaint went back for more negotiations, and the Authority withdrew its offer. Now they're in arbitration because the Authority is offering less. So, yesterday, I had lunch with Crimmins, and he asked me, "What do you think we should do?" I said, "I think you ought to stay by the agreement you made."

**RICHARD ADELMAN:** WELL, THE PROBLEM IS THERE'S SOME POLITICS INVOLVED IN ALL OF THIS.

**TED KHEEL:** Yeah.

**RICHARD ADELMAN:** HOW DID YOU GET INVOLVED IN THE NEW YORK CITY PUBLIC SCHOOL STRIKE, OCEANHILL-BROWNSVILLE?

**TED KHEEL:** I got involved with OceanHill-Brownsville with Albert Shanker. Let me see how I got involved. I was deeply involved in there with Shanker. I'm trying to recollect.

**RICHARD ADELMAN:** YOU WERE NOT NAMED IN THAT CONTRACT SO YOU HAD TO BE BROUGHT IN BY, BY WHOMEVER.

**TED KHEEL:** The mayor. I was the mediator, very much the mediator. And, let's see, I have to refresh my recollection about that dispute. I'll have to think about it a little bit.

**RICHARD ADELMAN:** WHICH OTHER DISPUTES COME TO MIND?

**TED KHEEL:** Well, the biggest one was the National, the railroad dispute with Lyndon Johnson. That was not a New York City dispute. But, I had become friendly with Johnson. And when he was Vice President, I did a report for him. Johnson became President when Kennedy was shot, and the staff around him were all Kennedy people, and they disliked Johnson intensely, and he was anxious to establish his own identity.

The first crisis he faced after he became President was a threatened railroad strike. The operating unions, there are five of them, the engineers, the firemen, the trackmen, and the two others. The Operating Brotherhood had been in negotiations from the time of Eisenhower, who appointed Jim Mitchell, Secretary of Labor. Jim Mitchell was the labor relations man from Macy's. He was the Secretary of Labor, and there was this dispute over the railroads going from coal burning to diesels. There were three

men in the crew, the engineer, the fireman, and one other and with the switch from coal where they had guys who threw the coal into the furnace, to diesel, they didn't need the third man. That was the big issue, the elimination of that man.

Then, also, there was a dispute about the conductors. They didn't need as many conductors with the way they were operating the trains, and that dispute was put to Jim Mitchell. But then, he decided to run for governor, so he quit, and I think a lawyer named Garrett was appointed. At various times national boards were appointed to make decisions. They had gone back and forth over the years, and now at the time that Johnson had become President, and the brotherhoods decided that if they struck the railroads--there were 523 railroads at the time -- we're down now to virtually two railroads, two systems: freight and passengers, the railroads decided that if they struck the 523 railroads, compulsory arbitration would be imposed and they didn't want that. So they struck one railroad, the Chicago and Northwestern, early in the morning, on the theory that that would not create a national emergency causing the appointment of a compulsory arbitration board.

But the railroads responded by declaring a lockout to take effect, and Johnson called everybody to the White House from both sides. I was watching television, a basketball game, at my house in Riverdale, and the station broke in saying that an agreement has been reached in Washington, and there'll be new negotiators.

I'm saying to myself, "What do they mean by new negotiators?," and the telephone rings. My wife answered and she said, "It's for you." I got off the couch and fumbled to the telephone. "Mr. Kheel?" "Yes." "The President of the United States."

So on comes Lyndon Johnson, and he says, "Ted, we need new negotiators down here." He had the wrong word. He meant mediators. He said, "Can you be here tomorrow morning?" I said, "Yes, Mr. President." So I left for Washington like fifteen minutes later to get the last shuttle, and at ten o'clock we were at the White House. In the Oval office, where he was sitting, he had a desk like this, and he sat there and arranged the seating.

He said, "Ted, you sit there. Doctor Taylor," the co-mediator, "you sit here. Willard Wirtz, you sit here. Jim Reynolds, you sit here." Then the guy from the Railroad Mediation Board, "You sit there." Soon as he had that arranged, he leans over to me--see, I'm next to him here and he leans over and he puts his nose in my cheek, and I said, "What gives?" And just then, as he does that, the door opens and the photographers come in. They've got one minute. So for one minute he's nose to cheek with me.

Pierre Salinger was there, he was the Press Secretary, and he counted 15 seconds, 30 seconds, 45 seconds, 60-seconds, out, one minute for a photo op. At that point, Johnson straightens up, and the next day, the papers had this picture: "Johnson Confers



with Kheel on the Railroad Strike." He didn't say a word to me, but there he was, whispering in my ear.

Then, Johnson picks up the phone, he's got a phone, a board, with different connections. He picks it up, and he's talking to Dr. Taylor's wife, who is in the hospital. He said, "Mrs. Taylor, your husband is a great American. He's here to serve his country in its hour of need when he should be on your bedside. I want you to know America appreciates what you are doing in sacrificing yourself for the benefit of the nation." He said, "Would you like to talk to your husband?" I'm later told that she was so startled by this she almost had an attack. Apparently she said, "Yes," because Johnson said, "Dr. Taylor," and he hands Taylor the phone. Taylor is a short, stubby man, and to reach the phone he gets prone on the table. He's stretched out. And Johnson is right next to him, but he's looking away so as not to listen while a man talks to his wife in the hospital. Taylor picked up the phone and he said, "Hello Edith? I'll call you later."

So we undertake to be the mediators, and we then moved to another building they were using as temporary quarters while the White House was being renovated, where the State Department was.

We meet, and we're locked in there. We couldn't get out for ten, fifteen days. But Jim Reynolds was close to the railroads.

Doc Wolfe was their spokesman. He was pretty shrewd, and he made the unions look bad in the press. The unions weren't smart. They didn't care about the press, and they were looking awful.

Anyway, we went off to the mediation, and we reached a point where we suggested that we make recommendations. Wolfe was very concerned about our making recommendations, and he said that he would accept, only if the recommendations not accepted would be discarded. So then I said that I would like to have one further discussion with the railroads, and separately with each of the five unions of the Brotherhood. I didn't get much information except from the Brotherhood of Railway Trainmen. The guy who was the head of it was very willing to tell me what each of the unions could give up without causing pain.

We were up all night. Taylor was sick and he couldn't come.

So I had this one all-night session with each of the six parties, the railroad, and the five unions in the railroads. They were all double crossing each other, but I knew what to recommend. In the meantime, Bill Wirtz had drafted my recommendations, and I came out and I looked at him and I said, "This won't fly." I said, "It's going to be my recommendations, and this is what I want." So we wrote my recommendations on two sets of yellow pages, and they were presented to the parties at noon.

Then, the railroad executives, the executive committee had nine presidents on it, New York Central, Pennsylvania Railroad,

Chicago and Northwestern and so forth. They all came in and met at the Statler Hotel. Taylor and I were in Bill Wirtz's office in the Labor Department, and the President called up and said, "Let me know, yes, at about four o'clock." The unions called us in and said, "We think the recommendations are okay, but we'd like to have this change and that change." I said, "I think you're making a mistake. If you make any changes, you open up the whole thing." So they agreed and they accepted. So, the unions had accepted.

Now, we were at the Department of Labor, and Johnson called. He said, "Let me know which numbers the railroads have accepted." He said, "I want to announce this on the Huntley-Brinkley Show at 7:00." Every half hour he called up, "Have you heard from them yet?" "Have you heard from them yet?" "No, we haven't heard from them."

Then the railroad folks called up. They said they'd like to meet with Taylor and myself, and Bill Wirtz said to them, "Come on over to the Department of Labor," and he calls the President and says, "They're coming over here." The President said, "No. Bring them over to the White House," and Wirtz said, "I'll call them." He calls, but they'd already left. So they arrive at the Department of Labor. There are nine of them, nine limousines. Each one has a limousine. When they come in, Wirtz says, "The President wants us at the White House."

So we go over to the White House. We come in and there's the President. There's Lady Byrd with one of their daughters. And, there's another couple, and they're having tea. So, we all sit down and it's nice. The furnishings are beautiful and the small talk. Finally they leave, and the President says, "I want you to know that no matter what happens here today, I am going out on the steps of this here White House and I'm going to tell the American people that you are great Americans. You did what is best for your country in its hour of need." Then he said, "What's the problem?"

There was one problem on which we did not make a recommendation. It was inter-divisional runs. An inter-divisional is that the New York Central, for example, would go from New York to Buffalo to Cleveland to Chicago. But when they got to Buffalo, which was eight hours from New York or whatever, they would change crews. The railroads wanted the trains to go faster, so instead of changing crews in Buffalo, they would want them to change crews in Cleveland. But, I knew enough about the schedule of runs. There's nothing more important for the workers than the schedule of runs because they build their lives all around it. The guys in Buffalo all had places when they stayed overnight. They had girlfriends. They had rental places. And if you changed it for one hour, you would screw up all kinds of

things. And, it just made no sense at all. But, we didn't know what to do.

At the very beginning of the dispute, I had done something that I usually do. When you get into the demands, the wage demands are easy to calculate. We want 10 percent. So you know what the cost is. But if you have a change in the inter-divisional runs, for example, then you've got to know what the consequences of that is, and what the cost would be. On every item I had a cost. I said what is this cost? And on the inter-divisional runs, they had a cost that came to a penny an hour. I think it was that one. In any event, here are the railroads; they're at the summit. They are with the President of the United States, and they raise the question about the inter-divisional runs. So I said, "Well, the pricing on that is a penny an hour."

You see, once you say that, a penny an hour, you know there is not going to be a railroad strike over a penny an hour.

But then this guy from the Pennsylvania Railroad said, "Mr. President, it's not the inter-divisional runs that bothers me. It's you've got legislation in there that's going to cost us a bloody fortune in tax fees," which had nothing whatsoever to do with the labor dispute. The President said, "I'm going to name a special Deputy Attorney General and he will investigate your claim, and you will get everything you're entitled to." Thank you, Mr. President. So he did that two or three times, and then he said, "Do we have an agreement - are we all settled?" And, we were all settled.

Then the President said to Taylor and myself, "Why don't you meet with the press in the White House, while we announce this?"

So Taylor and I were with the press in the White House, and he leaves with Willard Wirtz and Jim Reynolds. Since it was too late to set up to televise the announcement in the White House, they went over to CBS, and we're watching it on television. The President is there, with Bill Wirtz on one side and Jim Reynolds on the other side. He says, "Ladies and gentlemen, I have a letter here. It's from Virginia. She says, 'Mr. President, this Easter I'm scheduled to see my grandparents and I have to get there by train. Will I be able to see my grandparents?'" The President says, "Virginia, I'm pleased to tell you that you'll be able to see your grandparents. The railroad strike has been settled." So, he goes on in that way, and then he and Willard Wirtz leave. So that's how it ended.

**RICHARD ADELMAN:** ALL RIGHT. CAN I ASK YOU ONE LAST QUESTION? YOU'VE BEEN ARBITRATING AND MEDIATING, AND INVOLVED IN COLLECTIVE BARGAINING [TELEPHONE RINGING]--

**TED KHEEL:** Let me get that.

**RICHARD ADELMAN:** SURE, GO AHEAD. (Ted Kheel answers the telephone)

**RICHARD ADELMAN:** YOU'VE BEEN ARBITRATING AND MEDIATING AND INVOLVED IN COLLECTIVE BARGAINING FOR ABOUT 60 YEARS. COULD YOU GIVE SOME LONG-RANGE PERSPECTIVE OF HOW IT HAS CHANGED OR IF IT'S MUCH THE SAME?

**TED KHEEL:** Well, I've had thoughts about the development of alternative dispute resolution, and the relevance of mediation arbitration and negotiation. And, I've come to the conclusion that ADR really is nothing new. It existed before it was promoted. There have been negotiations since the time when Adam and Eve had a dispute with the serpent. There has been arbitration of disputes for a long while. And, there is negotiation, which takes place every day in one form or another, on the part of everybody.

Alternative dispute resolution poses two questions: what are the alternatives, and alternatives to what? It's generally considered that the alternatives to litigation are mediation and arbitration. But negotiation has also got to be an alternative because 95% of all disputes that are in litigation are resolved without litigation. But also, arbitration can't take place, except for compulsory arbitration, which is very rare, except by agreement. And how do you reach an agreement for arbitration except through negotiation. And mediation is not third party decision-making, it's providing assistance to the parties who are negotiating with each other. So when you get down to it, the most fundamental thing in conflict resolution is negotiation: negotiation to get into arbitration, or negotiation with the help of a mediator, but it's still negotiation.

So, then, what have I learned about negotiation that is of general relevance? I have reached the conclusion, and this is reflected in the way I went about mediating, that there are two fundamental considerations in any negotiation, whether labor, international, any kind of dispute. And they are one, defining the issue, what is the issue, and two, what are the facts? That's what you do in litigation. Litigation has developed that approach over centuries, and it's basically sound. In litigation you identify the facts and then you determine the application of the law. Those basic procedures are sound, to get the issues, and to get the facts. In negotiation you don't have that because there is no requirement for it. There is no discovery. There is no judge to make the decision on the issue and pass on the collection of the facts. Well, what is there in negotiation? The thing to do is to simulate the basic procedures of litigation: discovery and identification of the issue. And that's essentially what I would do as a mediator. The first thing I would do, and had a talk the other night at the -- what is this organization that labor relations organization?

**RICHARD ADELMAN:** IT USED TO BE THE IRRRA, NOW ITS LERA - LABOR AND EMPLOYMENT RELATIONS ASSOCIATION

**TED KHEEL:** They had a talk and it was Basil Patterson, George Nicholau, and myself talking about it. And I said, "The first thing to do is to bring the parties together." And they said, "No, the thing to do is not to bring them together, because then they'll just fight with each other." But I found that you should bring the parties together and say, "Don't tell me why you're entitled to what you want, just what is it that you want?"

And have them say it in the presence of the other side. Then say, "Don't tell me why you shouldn't do this just tell me what your position is." So, I do what is done through the complaint and the discovery process. I do that myself when I wind up the session. I say, "We have these issues: 1, 2, 3, 4, 5, 6, 7 8.... If you get those eight issues resolved, will that settle the dispute? You have nothing else?" But often, they'll say, "Oh by the way, there's another issue." So, what I do in mediation is the substitute for the complaint and the discovery, and then you're in a position to work on the settlement.

So that's what I've learned in the process of mediation. I began to do this without really knowing what I was doing. But in retrospect, I'm substituting the procedures, and doing it a lot faster and a lot quicker than it is done in litigation.

**RICHARD ADELMAN:** BUT YOU FOLLOW THE SAME PROCESS IN ARBITRATION JUST BY THE PROCESS ITSELF.

**TED KHEEL:** The process itself does that. That's easy. But negotiation is the most important. And without the procedures of identifying the facts and the issues in negotiation, you find, invariably, that both sides have a different notion of what the dispute is about.

**RICHARD ADELMAN:** WHEN YOU GET TO ARBITRATION AND THE PARTIES, IN ESSENCE, DO THAT FOR YOU, DOES IT MAKE IT EASIER TO HELP THEM COME TO A RESOLUTION?

**TED KHEEL:** Sure. No question about it. No question about it. If you get the facts straight and get the issues straight, then you've got something to deal with. But, I was in railroad disputes, and newspaper disputes, and as I got into it, I found that the respective sides didn't have the same idea of what the thing was all about.

**RICHARD ADELMAN:** WELL, UNFORTUNATELY, I'M FINDING THAT HAPPENS A GREAT DEAL IN ARBITRATION. YOU GET TO THE ARBITRATION AND ONLY THEN DO THEY FIND OUT WHAT THEIR DISPUTE IS ABOUT. SOMETHING IS WRONG WITH THE GRIEVANCE PROCESS.

**TED KHEEL:** Yeah.

**RICHARD ADELMAN:** OKAY TED, YOU'VE BEEN VERY KIND, AND VERY PATIENT IN GOING THROUGH THIS. I'M SURE THAT IT'S GOING TO BE VERY VALUABLE TO PEOPLE WHO GET A CHANCE TO HEAR OR READ THIS.

**TED KHEEL:** Okay.

**RICHARD ADELMAN:** AND YOU KNOW HOW I FEEL ABOUT YOU. IT HAS ONLY BEEN ABOUT FORTY YEARS.

**TED KHEEL:** Well, thank you.

**RICHARD ADELMAN:** THANK YOU.

**TED KHEEL:** Likewise, Richard. You've been a great associate and this was wonderful.