

Y 4
.In 8/4
92-14

1019

92-14
In 8/4
92-14

1971 RAILWAY LABOR-MANAGEMENT DISPUTE—SIGNALMEN

GOVERNMENT
Storage

DOCUMENTS

JUL 13 1971

THE LIBRARY
KANSAS STATE UNIVERSITY

HEARING
BEFORE THE
COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE
HOUSE OF REPRESENTATIVES
NINETY-SECOND CONGRESS
FIRST SESSION
ON
H.J. Res. 642
TO PROVIDE FOR A TEMPORARY PROHIBITION OF STRIKES OR
LOCKOUTS WITH RESPECT TO THE CURRENT RAILWAY
LABOR-MANAGEMENT DISPUTE

MAY 18, 1971

Serial No. 92-14

Printed for the use of the
Committee on Interstate and Foreign Commerce



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1971

63-214 O

KSU LIBRARIES



111900 808870

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

HARLEY O. STAGGERS, West Virginia, *Chairman*

TORBERT H. MACDONALD, Massachusetts	WILLIAM L. SPRINGER, Illinois
JOHN JARMAN, Oklahoma	SAMUEL L. DEVINE, Ohio
JOHN E. MOSS, California	ANCHER NELSEN, Minnesota
JOHN D. DINGELL, Michigan	HASTINGS KEITH, Massachusetts
PAUL G. ROGERS, Florida	JAMES T. BROYHILL, North Carolina
LIONEL VAN DEERLIN, California	JAMES HARVEY, Michigan
J. J. PICKLE, Texas	TIM LEE CARTER, Kentucky
FRED B. ROONEY, Pennsylvania	CLARENCE J. BROWN, Ohio
JOHN M. MURPHY, New York	DAN KUYKENDALL, Tennessee
DAVID E. SATTERFIELD III, Virginia	JOE SKUBITZ, Kansas
BROCK ADAMS, Washington	FLETCHER THOMPSON, Georgia
RAY BLANTON, Tennessee	JAMES F. HASTINGS, New York
W. S. (BILL) STUCKEY, Jr., Georgia	JOHN G. SCHMITZ, California
PETER N. KYROS, Maine	JAMES M. COLLINS, Texas
BOB ECKHARDT, Texas	LOUIS FREY, Jr., Florida
ROBERT O. TIERNAN, Rhode Island	JOHN WARE, Pennsylvania
RICHARDSON PREYER, North Carolina	JOHN Y. MCCOLLISTER, Nebraska
BERTRAM L. PODELL, New York	RICHARD G. SHOUP, Montana
HENRY HELSTOSKI, New Jersey	
JAMES W. SYMINGTON, Missouri	
CHARLES J. CARNEY, Ohio	
RALPH H. METCALFE, Illinois	
GOODLOE E. BYRON, Maryland	
WILLIAM R. ROY, Kansas	

W. E. WILLIAMSON, *Clerk*

KENNETH J. PAINTER, *Assistant Clerk*

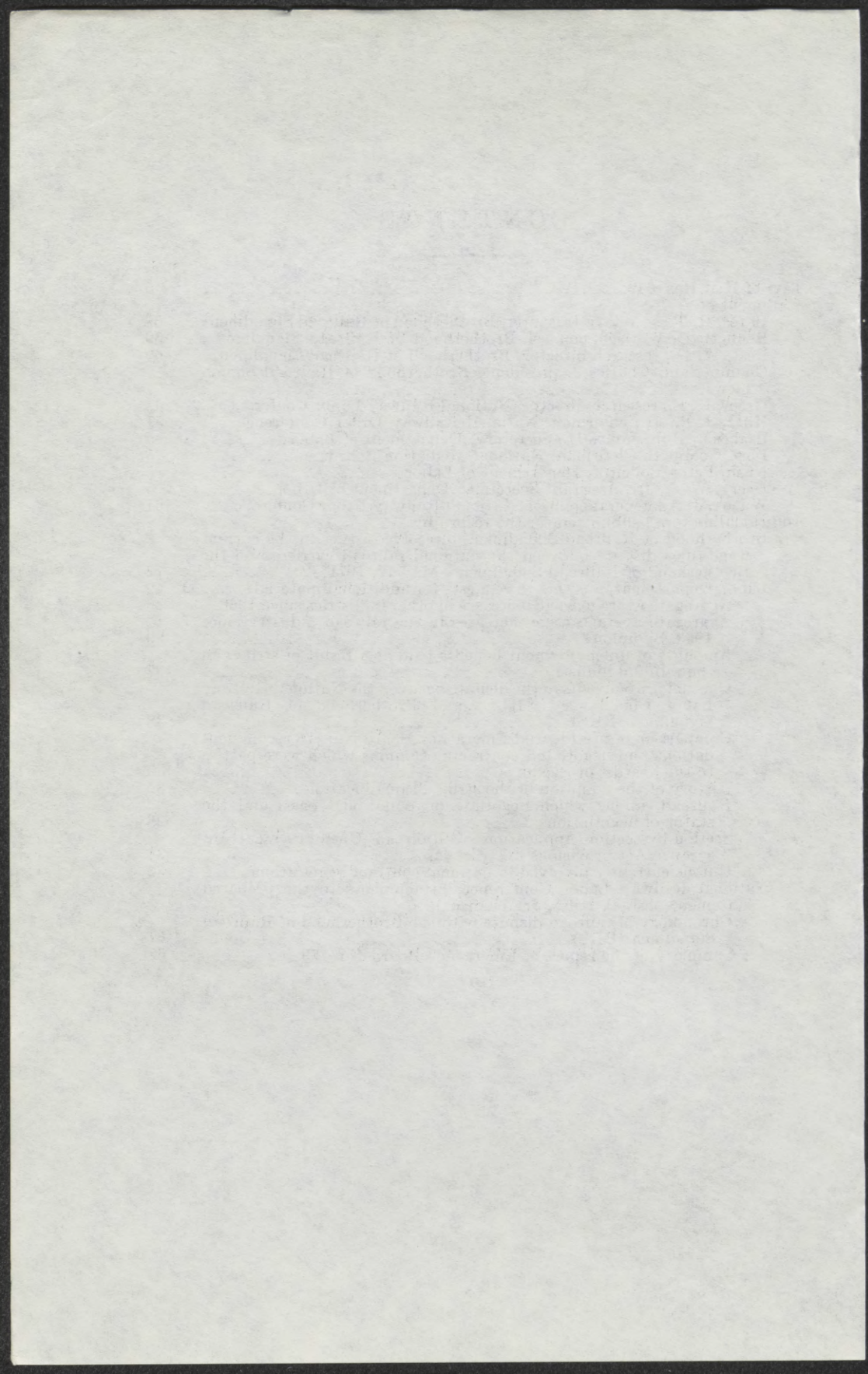
Professional Staff

JAMES M. MENDER, JR.
WILLIAM J. DIXON

ROBERT F. GUTHRIE
KURT BORCHARDT

CONTENTS

Text of H.J. Res. 642-----	Page 5
Statement of—	
Bates, R. T., secretary-treasurer, Brotherhood of Railroad Signalmen--	69
Bennett, D. W., legal counsel, Brotherhood of Railroad Signalmen--	69
Best, W. D., research director, Brotherhood of Railroad Signalmen--	69
Chamberlain, Charles J. president, Brotherhood of Railroad Signalmen	
Greer, H. E., research director, National Railway Labor Conference--	51
Hiltz, J. P., Jr., chairman, National Railway Labor Conference----	51
Hodgson, Hon. James D., Secretary, Department of Labor-----	5
Ives, George S. Chairman, National Mediation Board-----	5
Nash, Peter, Solicitor, Department of Labor-----	5
Usery, W. J., Jr., Assistant Secretary, Department of Labor-----	5
Wilcox, J. A., general counsel, National Railway Labor Conference--	51
Additional material submitted for the record by—	
Brotherhood of Railroad Signalmen, unresolved issues in the current wage-rules dispute between the national railroad carriers and the Brotherhood of Railroad Signalmen—May 17, 1971-----	72
Labor Department, answers to requests for additional material:-----	27-40
Aggregate average wage increases in other industries since 1963--	29
Aggregate average wage increases in the railroad industry since 1963, by union-----	29
Amounts of unemployment benefits paid as a result of strikes in the railroad industry-----	37
Chronology of events in the dispute between the National Railway Labor Conference (NRLC) and Brotherhood of Railroad Signalmen (BRS)-----	38
Comparison of presidential Emergency Board No. 178 recommendations and negotiated contracts of unions which were parties to the boards' proceedings-----	30
History of the adoption of the strike disqualification-----	36
Railroad unions which negotiate on a national basis and the status of negotiations-----	28
Section-by-section application of Railroad Unemployment Insurance Act provisions in strike cases-----	34
Unions currently involved in national contract negotiations-----	32
National Railway Labor Conference, attachments to the prepared statement of J. P. Hiltz, Jr., chairman:	
Chronology of railroad dispute with the Brotherhood of Railroad Signalmen (BRS)-----	61
Summary of the report of Emergency Board No. 179-----	62



1971 RAILWAY LABOR-MANAGEMENT DISPUTE—SIGNALMEN

TUESDAY, MAY 18, 1971

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The committee met at 10 a.m., pursuant to notice, in room 2123, Rayburn House Office Building, Hon. Harley O. Staggers (chairman) presiding.

The CHAIRMAN. The committee will come to order.

I want to welcome you gentlemen here. It is getting to be a habit.

The hearings today are on House Joint Resolution 642, which I introduced yesterday, at the request of the President, for myself and Mr. Springer. It provides for a temporary prohibition of the current strike involving the signalmen and all the railroads.

The current dispute began on October 1, 1969, when the Brotherhood of Railroad Signalmen served section 6 notices on substantially all the Nation's railroads requesting wage increases and other similar demands. The carriers then served counter section 6 notices on October 7 and November 3, 1969, and on May 18, 1970 the brotherhood served another section 6 notice requesting certain changes in fringe benefits.

Initially a strike was called for March 5, 1971, but on March 4, 1971 the President appointed a board under section 10 of the Railway Labor Act. That Board submitted its report on April 14 and the parties became free to resort to self-help on May 14.

All available procedures under the law have been exhausted, and the legislation before us provides for termination of the existing strike and maintenance of the status quo until July 1, with the Secretary of Labor being required to submit a report to the Congress not later than 10 days before that date.

At this point in the record there will be included the text of the joint resolution.

(The text of H. J. Res. 642 follows:)

(1)

[H. J. Res. 642, 92d Cong., 1st Sess., introduced by Mr. Staggers (for himself and Mr. Springer) (by request) on May 17, 1971]

JOINT RESOLUTION

To provide for a temporary prohibition of strikes or lockouts with respect to the current railway labor-management dispute.

Whereas the labor dispute between the carriers represented by the National Railway Labor Conference and the Eastern, Western, and Southeastern Carriers Conference Committees and certain of their employees represented by the Brotherhood of Railway Signalmen threatens essential transportation services of the Nation; and

Whereas it is essential to the national interest, including the national health and defense, that essential transportation services be maintained; and

Whereas all the procedures for resolving such dispute provided for in the Railway Labor Act have been exhausted and have not resulted in settlement of the dispute; and

Whereas the Congress finds that emergency measures are essential to security and continuity of transportation services by such carriers; and

Whereas it is desirable to achieve the objectives in a manner which preserves and prefers solutions reached through collective bargaining; and

Whereas the recommendations of Presidential Emergency Board Numbered 179 for settlement of this dispute did not result in a settlement: Now, therefore, in order to encourage these parties to reach their own agreement, be it

1 *Resolved by the Senate and House of Representatives*

2 *of the United States of America in Congress assembled,*

3 That the provisions of the final paragraph of section 10 of

4 the Railway Labor Act (45 U.S.C. 160) shall apply and

5 be extended for an additional period with respect to the

6 above dispute, so that no change, except by agreement, shall

7 be made by the carriers represented by the National Railway

8 Labor Conference Committees or by their employees, in the

9 conditions out of which such dispute arose prior to 12:01

10 antemeridian of July 1, 1971.

11 SEC. 2. Not later than ten days prior to the expiration

12 date specified in the first section of this joint resolution the

13 Secretary of Labor shall submit to the Congress a full and

14 comprehensive report containing—

1 (1) the progress, if any, of negotiations between
2 the National Railway Labor Conference and the Eastern,
3 Western, and Southeastern Carriers Conference Commit-
4 tees and their employees; and

5 (2) any such recommendations for a proposed solu-
6 tion of the dispute described in this joint resolution as he
7 deems appropriate.

8 SEC. 3. This resolution shall take effect immediately
9 upon enactment.

The CHAIRMAN. Our first witness this morning will be Secretary of Labor Hodgson. Mr. Secretary, you may proceed.

I might say that I hope that we can keep the proceedings as short as possible. Will you identify the gentlemen who are with you?

STATEMENT OF HON. JAMES D. HODGSON, SECRETARY, DEPARTMENT OF LABOR; ACCOMPANIED BY W. J. USERY, JR., ASSISTANT SECRETARY; PETER NASH, SOLICITOR; AND GEORGE S. IVES, CHAIRMAN, NATIONAL MEDIATION BOARD

Secretary Hodgson. I am happy to, Mr. Chairman and members of the committee.

The gentlemen with me are a little under-slept as a result of the events of the past few days. On my left I have the Solicitor of the Department, Mr. Peter Nash; on my immediate right, Assistant Secretary Usery, who has been the chief Department mediator in the dispute; and the Chairman of the National Mediation Board, who has shepherded this dispute from its earliest stages, Mr. George Ives. These are the men who are with me.

We are happy to be here with you this morning. We also hope for an expeditious proceeding.

I am here today because of another crisis situation in labor bargaining in the railroad industry. I am here to discuss our proposal for resolving the dispute between the Nation's railroads and about 2 percent of their employees represented by the Brotherhood of Railroad Signalmen. That proposal, in the form of a joint resolution, is appended to my testimony.

As you know, the failure of the parties to resolve their differences, even over a lengthy period and with resort to all procedures of the Railway Labor Act, has resulted in a national rail stoppage. To terminate this stoppage and provide continued rail service to all Americans, we have proposed legislation designed to produce a fair and equitable resolution of the issues in dispute.

Let me review briefly for you the course of events in this dispute. Its origins go back to October 1969, when the union served a section 6 notice, as required under the Railway Labor Act, requesting wage increases and improvements in a number of pay-related matters to become effective January 1, 1970. The carriers served counter section 6 notices seeking various changes in existing contractual arrangements. After each side authorized national level negotiations, the parties on April 9, 1970, jointly invoked the services of the National Mediation Board.

On May 18, 1970, the union served a second section 6 notice on the railroads, requesting certain changes in fringe benefits. The railroads applied for the services of the National Mediation Board on this notice on August 27, 1970, and it was subsequently handled concurrently with the earlier union and carrier notices.

Mediation efforts by the National Mediation Board commenced on July 28, 1970, and continued until January 22, 1971, when the NMB, in accordance with section 5, first, of the Railway Labor Act, requested that the parties submit the controversy to arbitration. The carriers accepted the Board's proffer of arbitration; the union declined. On Jan-

uary 28, 1971, the NMB notified the parties that it was formally terminating its mediation efforts. This left the parties free to engage in strike or lockout action on February 28, 1971. The union subsequently announced its intention to engage in a nationwide strike on March 5, 1971.

With no settlement close, and the Nation threatened by a stoppage of rail service, the President established Emergency Board No. 179 on March 1971, thereby averting a stoppage until 30 days after submission of the Emergency Board's report.

The President appointed the following as members of the Board: Paul N. Guthrie, professor of economics, University of North Carolina, chairman; Thomas G. S. Christensen, professor of law, New York University, member; Jean T. McKelvey, professor of industrial and labor relations, Cornell University, member. These people are all outstanding practitioners in the art of mediation and arbitration. Mrs. McKelvey was the most recent past president of the National Academy of Arbitrators. They are top professionals.

These three distinguished Americans all eminently qualified to serve as neutrals in the settlement of collective bargaining issues, convened in Washington, D.C., on March 15, 1971, and held 6 days of public hearings. To further acquaint themselves with the issues in dispute and to explore the possibility of a mediated settlement, the Emergency Board met informally with the parties following the close of the hearings. In the Board's opinion a mediated settlement was not obtainable and on April 14, 1971, the Board submitted its report to the President. The report deals in depth with the issues underlying the dispute between the parties and includes specific and comprehensive recommendations for settlement of the issues in dispute. The submission of the report left the parties free to engage in strike or lockout action on May 15, 1971.

Following submission of the Board's report, negotiations were resumed under the auspices of the National Mediation Board. During the course of these negotiations, the union announced its intention to engage in a nationwide strike at 6 a.m. on May 17, 1971.

The Department of Labor participated in attempts to achieve a settlement and avert a strike or lockout. Under the guidance of Assistant Secretary Usery negotiation sessions were held in an effort to resolve the continuing controversy. While some progress was made, the parties were unable to resolve their differences.

On May 16 I recommended that the parties agree to a voluntary extension of their negotiations without the use of strike or lockout action, but without results. I, therefore, appear before you today to recommend enactment of legislation to forestall a nationwide disruption of rail service and to provide time for a resolution to this dispute.

Under present legislation all procedures available to the President for achieving a settlement have been exhausted. Without congressional action the current rail stoppage will continue with the accompanying drastic impact on our economy and citizens.

The proposal which we have made will extend the present bargaining until July 1, 1971. If the parties have not reached a voluntary settlement of the dispute by June 21, 1971, we further propose that I, as Secretary of Labor, report to the Congress on that date the status of the dispute and recommendations for its settlement.

Time and again the history of collective bargaining disputes has shown us that additional bargaining time has been helpful in bringing about voluntary settlement. Our most recent such experience in the railroad industry, one all too familiar to you, involved a legislated extension of bargaining from December 10, 1970, until March 1, 1971, in disputes involving the Nation's railroads and the Brotherhood of Railway & Airline Clerks, the Brotherhood of Maintenance of Way Employees, the Hotel & Restaurant Employees International Union and the United Transportation Union.

Although many in the Congress were not overly optimistic in earlier December that a negotiated settlement could be reached, the additional time provided by congressional action has resulted in final contract settlements by all but the UTU and Congress has not been required to act again in that dispute.

The issues involved in the four disputes brought before you in December were complicated by the difficulty of negotiating "work rules" involving 175,000 BRAC members, 120,000 BMWWE members, 6,000 HREU members and 250,000 UTU members. The issues in the present dispute are basically economic in character and involve between 10,000 and 13,000 employees. We are hopeful that an extension of time, in conjunction with on-going efforts to mediate the dispute, can again result in a negotiated settlement.

It is unfortunate that the half-million employees of the railroad industry should find themselves out of work and that millions of Americans should be subjected to service disruption by the action taken in this dispute. We urge, we avidly urge, quick congressional action on our proposed resolution so that service may be rapidly restored.

That, Mr. Chairman, is our initial statement.

The CHAIRMAN. Mr. Secretary, do you think you have exhausted every means at your command in order to settle the strike?

Secretary HODGSON. We are sure we have, sir.

The CHAIRMAN. This is the ultimate then. You have come to the conclusion to come to Congress?

Secretary HODGSON. We have no other alternative, sir.

The CHAIRMAN. Mr. Macdonald.

Mr. MACDONALD. I do not have many questions since we have ploughed this ground so many times, Mr. Secretary. It is nice to see you here.

On the one hand, we welcome you; on the other hand, we wish that it weren't necessary for you to be here.

On page 4 you say, "Time and again the history of collective bargaining disputes have shown additional bargaining time has been helpful in bringing about voluntary settlement." That may be true if you look at all bargaining throughout the country. I don't know. But I was just asking the staff how many times this situation we have here this morning has occurred.

I have been assured that it started back in 1963 and even though you might be right and you probably are factually correct in saying that the additional time that we granted last time out helped, and I was one of those doubters, still the fact remains that the Nation's railroads are on strike, no matter which parties have decided to take that very drastic action. The action has not been resolved.

Truly I wonder why you think more time is going to solve anything. Secretary HODGSON. There are really two reasons we came forward with that recommendation. One is quite simple. That is that we do believe that additional time has in innumerable instances in the past enabled a resolution of a dispute even though such a resolution did not appear to be a reasonable prospect when the additional time was granted.

It just is an aspect of collective bargaining that time itself provides an opportunity for additional reconsideration by the parties of their position and additional approaches by mediation. Time after time the dispute has been settled through that device.

The second reason is that to propose settlement of other issues in this dispute at this time could very well have led to an extensive and exhaustive examination of such issues by this committee and by the Senate committee, and would have delayed the resolution of our immediate problem—the shut-down of the Nation's railroad systems. Day by day the American economy is increasingly impaired by this strike.

Mr. MACDONALD. Mr. Secretary, the second and last question is don't

Mr. MACDONALD. Mr. Secretary, the second and last question is don't you think that one side of the bargaining table or the other—I have once more from coming to a situation where they have to bargain with finality—they say, "Well, we can hold out a little longer because the Congress is going to rescue us again, and therefore, we can postpone it and put it off"—there has to come a day when the Congress says, "You go this far and no further."

We have done this so many times it is getting to be a charade. It strikes me that maybe both sides—but certainly one side knows that they are going to be rescued, so they will say, "No, we are not going to go along with your proposition."

Would you care to comment on this? Is that not a real possibility?

Secretary HODGSON. It is for reasons of this kind, that is, the difficulty of the parties in this industry operating under the legislation that now exists with the rather protracted delays that are involved in the procedures under that legislation, that we have presented earlier to the Congress recommendations for new kinds of legislation to deal with these kinds of disputes. We hope that as time goes on, in its wisdom if this committee sees fit to do so, it will commence examination of these other procedures so that we can avoid the very thing you are talking about.

Mr. MACDONALD. Thank you, Mr. Chairman.

The CHAIRMAN. Before I turn you over to Mr. Springer, I would like to continue with two questions.

I notice in the press that the committee was criticized for not having gotten out a law to settle these strikes. I would like to say for your edification and that of the committee and the rest, that we do intend to get to this but it seems that always we have one of these temporary things hanging fire. We have other business before the committee, too. When we start into this, I know it is going to take many months.

So, we are trying to get some of the renewal legislation out of the way before we do get started with it but we are going to get to it and

pass the bill and I am sure neither labor or management are going to like the bill. I am positive.

Secretary HODGSON. But the American people might like it.

The CHAIRMAN. That is right. I think the American people might like it when we get through.

Now, you mentioned attempts for voluntary extension. Can you give us these details about these attempts and why in your opinion there was no voluntary extension?

Secretary HODGSON. Yes; we made two attempts, two different forms of request for voluntary extension. One at the end when it looked like all other procedures were impossible, just a simple extension with no time limit. But the principal one on which we had placed considerable hope was prompted by our examination of the positions of the parties and particularly the reluctance of the union involved to reach a settlement. It had been pointed out by the union that there were other negotiations occurring during this summer in the railroad industry. I have in mind the shopcraft schedule of negotiations that is upcoming, and that it might be that those negotiations would serve to produce a settlement that would be superior in form to the current settlement available to this union. The union therefore was reluctant to proceed with this unknown factor down the road that might in its opinion place it in an awkward position.

Recognizing that this might be a problem for this union, we sought to see if there was a way to circumvent that problem. We noticed that in the schedule of the proposed wage increases made by the President's Board, the next prospective wage increase would occur on October 1, 1970. So, it was our proposal to the parties that we request of them an extension of the existing agreement but place into effect the three proposed wage increases that had been made by the Presidential Board for periods of past time.

The first increase would have gone into effect in January 1970; the second in November 1970; and the third in April of this year.

After a brief examination of our proposal, the union rejected these increases and stated that it was not interested in that kind of proposition.

So, those were the two kinds of proposals that were made in this circumstance by the mediators.

The CHAIRMAN. Now a brief question and I think you can answer me briefly on this.

Does this dispute center mainly on wages or is it on work rules?

Secretary HODGSON. We are certain the essential problem in this is the size of the economic package. It is a wage dispute issue.

There are other issues which have been mentioned, one of which is the working conditions of the signalmen but we think that takes some perspective. In a discussion with the union we asked them if they would agree to the remainder of the economic package should the issue of working conditions be settled to their satisfaction. Their response to that was a definite no. So, economics is obviously the key issue in this dispute.

The CHAIRMAN. Mr. Springer.

Mr. SPRINGER. Thank you, Mr. Chairman.

Mr. Secretary there have been roughly how many settlements in the last year and a half between the brotherhoods and railroads?

Secretary HODGSON. There were settlements involving a group of shopcraft unions in the year 1970.

In 1971, there was a settlement with the Brotherhood of Railroad Clerks, the Maintenance of Way Union, the Union of Hotel and Restaurant Employees that represented a modest segment of this industry, with the Engineers Union, and with two other modest size unions.

There has been considerable progress made for settlement with a tentative understanding on the economic portions of the agreement with the United Transportation Union. Those, I believe, Congressman, are the principal settlements that have been made with the unions. They form a rather wide ranging in pattern.

Mr. SPRINGER. The recommendation of the Board which worked on this, which was made up of these three distinguished persons, recommended what percentage of increase for the signalmen?

Secretary HODGSON. They have been generally characterized as 42 to 43 percent over a period of 42 months.

Mr. SPRINGER. How much are the signalmen demanding?

Secretary HODGSON. Their basic position has been a 54 percent increase. In some discussions that have been held with them informally, they have discussed a lower amount but in no case did they get down to closer than within 36 cents per hour difference between the two positions.

Mr. SPRINGER. Over what period?

Secretary HODGSON. The same period.

Mr. SPRINGER. The settlements that have been made with the other brotherhoods resulted in what kind of percentage increase?

Secretary HODGSON. In terms of comparability, it was a similar kind of settlement, that is, 12 percent per year over the span of the agreement.

Mr. SPRINGER. In other words, 12 percent a year and 6 percent for the last 6 months?

Secretary HODGSON. That is about it.

Mr. SPRINGER. That is what the Brotherhood of Locomotive Engineers settled for?

Secretary HODGSON. It is in that area; yes, sir.

Mr. SPRINGER. Now, then, the pattern for these settlements has run in the general area recommended by this Emergency Board?

Secretary HODGSON. Exactly.

Mr. SPRINGER. Now, what I would like to find out from you, is what is or will be the effect for the first week of a stoppage? Are you in a position to give that to this committee?

Secretary HODGSON. We had considered asking the Department of Transportation to have a representative here this morning to discuss the impact of this dispute. We had understood from discussions with committee staff that that would not be necessary. We will be glad to ask them to come forward and they can, in very eloquent terms, discuss this as they have done before the Senate committee.

But there is no question in our judgment that the impact is extensive; it is immediate. It is not only on the railroad industry but on a number of other industries.

It was pointed out in the Senate hearings yesterday by Secretary Volpe, for instance, that within 48 hours of the start of this stoppage the steel industry will have to start cutting back; the automobile industry, because it loads immediately from its production lines on the railroad cars, will quickly be adversely affected; that an extensive amount of perishable goods is threatened, particularly that which is not in permanent refrigeration but is iced in; and there are a number of widespread effects beyond that.

If you want to go beyond that, I believe we would have to get the extensive examination that has been made by the Department of Transportation on the impact.

Mr. SPRINGER. I was somewhat disturbed yesterday; I made a check of my own congressional district, in which within 5 days roughly 82 percent of all the industry in my district would be shut down.

Secretary HODGSON. Take the meat packing industry for instance. Almost immediately there will be an effect on that industry. It is one of the reasons, of course, that the President came forward with this recommendation to Congress for early action.

Mr. SPRINGER. Now let me ask you just this because I think we are talking economics.

It is my understanding, and I want to be sure that this is correct, that the request of the union would have resulted in wages of \$6.42 an hour on July 1, 1973; that the carriers offer would have resulted in \$5.18 an hour on April 1, 1973. I guess that the difference that the Board established is somewhere between because the offer of the carriers is 36 percent and the offer of the unions is 54 percent; the 42 percent would be somewhere between \$5.18 an hour and \$6.42 an hour.

Secretary HODGSON. I believe, however, Congressman, the carriers have indicated a willingness to accept the terms of the Board's recommendations.

Mr. SPRINGER. Now, there are only two matters in dispute. One is the wages and the other is the away-from-home expenses. Those are the two matters in dispute. Am I correct?

Secretary HODGSON. No; I believe that Mr. Chamberlain will outline other matters that have been indicated as being still in dispute which are distinctly lesser matters and are not the subjects that have held up the resolution of the dispute.

Mr. SPRINGER. It is your belief with 60 days you do have a reasonable chance to get some kind of settlement?

Secretary HODGSON. That is correct.

The CHAIRMAN. Mr. Moss.

Mr. Moss. Mr. Secretary, first, I want to correct one thing.

As I recall the resolution we have calls for an extension until July 1 which would be roughly closer to 40 days than to 60 days.

Do you think that the issues unresolved here lend themselves to being resolved by collective bargaining?

Secretary HODGSON. We think that not only these issues but all other issues in dispute ought to be resolved that way; collective bargaining ought to be given a chance to resolve them. We feel the experience of the recent past and general experience indicates that no matter how difficult the resolution of disputes seems, quite frequently they can be worked out, in fact, more often than not they are worked out.

Mr. Moss. There is impact on the collective bargaining process when Congress directs that the parties affected continue to operate and not utilize the final weapon of the collective bargaining process, the right of strike; is that correct?

Secretary HODGSON. There is an impairment of the collective bargaining process in a sense whenever Government action of this magnitude has to be undertaken.

Mr. Moss. What was the date of the last increase to this group of railroad employees?

Secretary HODGSON. The last wage increase given this group of employees, was approximately 20 months ago.

Mr. Moss. What was the amount of that increase?

Secretary HODGSON. July 1 of 1969. It was 3 percent.

Mr. Moss. Since we started ordering the railroad workers back to work and settling railroad disputes back in 1963 when we had the manning question before us, what is the percentage increase these workers have received, the aggregate?

Secretary HODGSON. We will be able to get that for you, Congressman. We don't have that here today.

Mr. Moss. Do you have an estimate, subject to correction later? Is it 20 percent, 30 percent, 40 percent?

Secretary HODGSON. I will have to give you that.

(See "Answer to requests for additional material," p. 27, this hearing.)

Mr. Moss. Go back to 1969 and take the settlements recently announced in, I think, the can industry and autos, how do those folks compare with the gross increase?

Secretary HODGSON. The increase in the can industry is generally attributed to be somewhere between 8 and 9 percent over the period of the agreement. The proposed increase here, as you know, is around 12 percent.

Mr. Moss. Let us take it for a decade.

Would the can workers come out ahead or the railroad workers? If they had the 54 percent they are seeking, would they be showing a greater gross increase over that period of the last decade?

(See "Answers to requests for additional material," p. 27, this hearing.)

Secretary HODGSON. We can give you that but, in my judgment, one of the reasons that the recommendations of the Emergency Boards in the railroad industry have included levels above the average settlement is that during earlier periods they had been less.

Mr. Moss. There has been a considerable period of lag in the salaries of railroad workers as contrasted with persons of comparable skill in other industrial activity.

Secretary HODGSON. I think that would vary all over the board depending on the industry you compare it with. If you are comparing the two industries mentioned, the can industry and railroads, it would be my judgment, without examining it further, that the can industry level of settlement had been somewhat higher in the 1960's than the settlements in the railroad industry.

Mr. Moss. The hourly rate these workers will be receiving, will it be comparable to the same level of skill in nonrailroad activity?

Secretary HODGSON. There are so many different industries that each has its own pattern of settlement. Each pattern would depend on the economic conditions of the industry, and such conditions as skill levels as well as the other terms of bargaining agreements in that industry. Such comparisons are therefore of interest but they don't really bear on the resolution of disputes like this.

A concern of that kind caused not only this Board but previous Boards to examine the equity within the industry of the disputed wage levels and to base a recommendation on these equitable considerations.

Mr. Moss. Mr. Secretary, if we look down the road to the 21st of June when you will be required to report to this committee on the progress made by that time and that is roughly a month off and if you have not settled and the situation is precisely the same as today, do you have in mind the kinds of recommendations which might be forthcoming to this committee at that time?

Secretary HODGSON. It would be wholly dependent upon developments in bargaining between now and then. We do not have anything specific in mind.

Mr. Moss. You do not have at this time then any specific proposal which might be submitted then?

Secretary HODGSON. That is correct.

Mr. Moss. The reason I ask, Mr. Secretary, is because the first of July occurs at a time when we can anticipate that the Congress will be either in a period of brief recess for the Fourth of July or approaching the time for a recess.

Secretary HODGSON. That is one of the reasons we came up here with a report in advance of that date.

Mr. Moss. Would we in 10 days have time to act responsibly and to make the kind of searching examination of facts that should be made by the Congress if it is going to mandate a settlement within the framework of 7 or 8 legislative days?

Secretary HODGSON. I believe you could probably determine that better than I, sir.

Mr. Moss. You are more familiar with the magnitude of the bickering here than I am. You have the advantage of being fully briefed. I have not.

Secretary HODGSON. I think we have faced this kind of situation before, in the shopcraft case, and the Congress was able to act rather expeditiously in that case.

Mr. Moss. Expeditiously but I am not certain as wisely as it might have done.

Secretary HODGSON. We don't ever challenge the wisdom of Congress.

Mr. Moss. Indeed you do because there is criticism over the failure of the Congress to act on permanent legislation while it has been faced consistently in the intervening years with a whole series of these emergency settlements that we have ordered.

Secretary HODGSON. Maybe inaction of the Congress has been criticized but never action.

Mr. Moss. Sometimes inaction is a form of action, too, Mr. Secretary.

The CHAIRMAN. Mr. Devine.

Mr. DEVINE. Thank you, Mr. Chairman.

Mr. Secretary, in the event the Congress should see fit today or tomorrow to adopt this resolution, it merely would prohibit strikes on the part of the signalmen and lockout on the part of management until July 1, 1971?

Secretary HODGSON. That is correct.

Mr. DEVINE. And making it incumbent upon you if no settlement is reached by the 21st of June to make a progress report to the Congress as well as your recommendations; is that correct?

Secretary HODGSON. That is correct.

Mr. DEVINE. So, we are not interfering necessarily with the collective bargaining process but merely giving you a little elbow room to come to a conclusion in the interim period.

Secretary HODGSON. That is the basis of our recommendation, to give the process of collective bargaining a chance to operate.

Mr. DEVINE. I don't think it is incumbent on the committee or the Congress to get into the issues that are subject to collective bargaining, the percentages or the wage element. I think the issue is greater than that, whether we should involve ourselves in settling labor disputes between industry and labor as we have been called upon to do.

I have been on this committee for 13 years and I think at least a half dozen times, if not more, we have been put in this position. I think we are getting fed up with it; therefore, I feel permanent legislation is necessary.

In my State of Ohio, the impact is already being felt very strongly; the Chrysler stamping plant up there near Mr. Carney's district is going into a 3-day week right away.

The General Motors plant at Lordstown, if this is not settled today, will be closed down altogether.

This is true all over the country. I think we have no choice but to act and to enact legislation.

The CHAIRMAN. Mr. Rogers.

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. Secretary, how many employees are actually affected? What is the total number now out of work?

Secretary HODGSON. This union has an active membership that varies between 10,000 and 13,000. There is some seasonality of employment. It goes up in a portion of the year and recedes in another. So, we have characterized this as between 10,000 and 13,000.

Mr. ROGERS. But for all of the other employees now—

Secretary HODGSON. A half million employees in the industry.

Mr. ROGERS. What is done for the half million who are not really involved and who have wanted to work but now are prohibited because of the strike and their respect for not closing the line? What happens to them? Who pays them? What happens?

Secretary HODGSON. They are out of work. The income from their respective employers ceases.

Mr. ROGERS. They get no payment? Does the union pay them anything?

Secretary HODGSON. I guess I would like to have you ask the union representative that question.

Mr. ROGERS. Isn't there some unemployment payment made?

Secretary HODGSON. Under the Railroad Unemployment Insurance Act, they get better than \$12 a day unemployment compensation.

Mr. ROGERS. Who pays that?

Secretary HODGSON. Pardon?

Mr. ROGERS. Who pays that?

Secretary HODGSON. This is paid through employer contributions to the employment fund. This, as I understand it, occurs after the first 4 days of a strike, not during the first 4 days.

Mr. ROGERS. So the first 4 days they don't get anything, all the other union members?

Secretary HODGSON. That is correct.

Mr. ROGERS. Only after the 4th day would they begin to draw pay.

The Senate, we understand, is considering an October date.

Do you have any objections to an October date?

Secretary HODGSON. Well, we came up here with a proposal that was designed to try to settle it in a shorter period of time than October 1. It has been pointed out the employees in this industry and at least in this union group have not had an increase for 20 months. We felt that it would be wise to have a shorter period of time, one that was reasonably consistent with the possibilities of settlement. That is why we recommended the shorter period.

Mr. ROGERS. I understand your recommendation.

What I am saying is, do you have any basic objection to the October 1 date?

Secretary HODGSON. No.

Mr. ROGERS. Thank you, Mr. Chairman.

Mr. ADAMS. Would the gentleman yield for one question along this line?

Are we involved here in Mr. Roger's question with a lockout of everyone other than the 13,000, or are we involved with an observing of the picket line by other than the 13,000?

I want to know the effect of this question on unemployment compensation.

Secretary HODGSON. There is no lockout. Any employees other than the employees of this union who aren't at work are not at work because of the observance of the picket line.

Mr. ADAMS. As you point out to Mr. Rogers, do all receive unemployment compensation after 4 days or only those other than the signalmen?

Secretary HODGSON. The signalmen also receive unemployment compensation. That is a characteristic of the Railroad Unemployment Insurance Act that is not normally realized.

Mr. SPRINGER. I just want to be sure I get all of this in the record.

Mr. Secretary, so that this record may be complete, I want to see if this is the Board recommendation as follows:

January 1, 1970, 5-percent increase.

November 1, 1970, 30 cents an hour; skilled; 18 cents an hour for assistants.

April, I presume that is April 1, 1971, 4 percent.

Now, all of that up to that point would be also retroactive in accordance with all the other agreements; is that part correct?

Secretary HODGSON. That is correct.

Mr. SPRINGER. Then on October 1, 1971, a 5-percent increase.

April 1, 1972, a 5-percent increase.

October 1, 1972, a 5-percent increase.

January 1, 1975, 15 cents.

On April 1, 1973, 10 cents.

And that makes the total of what is generally regarded as 42 percent.

Now, are my figures correct?

Secretary HODGSON. Exactly.

Mr. SPRINGER. I thank the gentleman.

The CHAIRMAN. Mr. Nelsen.

Mr. NELSEN. Mr. Chairman, I have received telegrams from little country elevators which are greatly concerned over the strike for this is now the planting season. Fertilizer, seed, and other inventories of these little business enterprises are exhausted. New supplies are not coming in. Therefore, the strike creates a very serious situation in the Midwest.

I just wanted the record to show the concern that is being registered from farm areas and the need to work out a settlement very rapidly.

Thank you.

The CHAIRMAN. Mr. Van Deerlin.

Mr. VAN DEERLIN. Thank you, Mr. Chairman.

Mr. Secretary, you have stated your unwillingness to question the wisdom of Congress in these matters, but I would invite you to comment on the wisdom that Congress showed the last time we wrestled on the floor with this problem.

We stepped in and ignored the points at issue on one side, and awarded at least a partial raise on the other side.

Did this, in your judgment, demonstrate great wisdom?

Secretary HODGSON. I understand one of the principal reasons that Congress chose that route the last time was to provide somewhat more time than had been provided in the original recommendation of the administration when it came forward with a shorter period of time.

The reason that they did so was that the settlements or the contracts that were involved in those instances included a number of work rules issues. Work rules issues are issues that are exceedingly complicated; they have long history and tradition, and there was a feeling that it would take more time to work them out.

As we have indicated, fortunately in the case of the vast preponderance of the unions and the majority of the employees we have been able to reach a resolution of disputes that were then affected with only one left to go and with considerable hope that that one will be resolved successfully.

Mr. VAN DEERLIN. Is it not likely that Congress, having plunged this deep into the thicket of mediation, might take the request for an extension here, and return a judgment of the issues at stake as well as extending the deadline?

Secretary HODGSON. Judging by the questions that have been directed to me on these matters, it would seem to me that a full-fledged examination of the issues involved by Congress in an attempt to settle all those issues by congressional action would take more time than we

think should be allotted to get the American rail system back in operation here.

So, our recommendation is based in considerable part on getting as quick a response from the Congress as possible.

Mr. VAN DEERLIN. The Secretary would acknowledge, would he not, that Congress occasionally moves without rendering the matured and lengthy judgment that is desirable in labor settlements?

Secretary HODGSON. What I would say about that is that this business of labor-management relations, collective bargaining, and resolution of disputes is by its very nature a lengthy process. If Congress wishes to engage in it, which I doubt that it does, it probably would have to spend time on it through the sacrifice of time that it would spend on other equally or greater priorities in its judgment.

Mr. VAN DEERLIN. Mr. Secretary, I think you would agree that the floor of Congress is no place to settle labor disputes.

Secretary HODGSON. I thoroughly agree.

Mr. VAN DEERLIN. Let the record show that the Secretary nodded at that point.

Secretary HODGSON. Vigorously; in the affirmative.

Mr. VAN DEERLIN. Is it not your judgment, sir, that it will be difficult for Congress to get out of this business if we elect to stay in it every 6 months or so, as these matters come before us in either railroad or airline labor disputes? Will we ever get out of the arbitration business?

Secretary HODGSON. Not as long as the existing legislation is on the books, I don't think you will.

Mr. VAN DEERLIN. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Harvey.

Mr. HARVEY. Thank you, Mr. Chairman.

Mr. Secretary—along the lines of what Mr. Van Deerlin was saying—isn't it true that if we take sides in this dispute, and if Congress settles the dispute, that we are just asking for more disputes to come before Congress?

Secretary HODGSON. The collective bargaining process is a very demanding one on its practitioners and its participants. If there is available to those participants some other forum or means to avoid the difficult decisions they have to make, there is always that temptation to use it.

Mr. HARVEY. What you are saying is, if they feel it can be settled in Congress they are going to wait before any negotiations take place until they come to Congress.

Secretary HODGSON. At least in some instances.

Mr. HARVEY. Now, you know that at least several members of this committee have introduced emergency strike legislation. I can think of Mr. Pickle on the other side of the aisle; who introduced a bill. I introduced one last week, and the administration has also introduced some legislation.

I take it that it is the wish of the administration that this committee hold hearings on emergency strike legislation. Isn't that correct?

Secretary HODGSON. That is correct, indeed.

Mr. HARVEY. Do you feel that regardless of the outcome of those

hearings that the hearings are desirable for us to once and for all solve that particular problem?

Secretary HODGSON. Circumstances like this just reinforce our conviction that that is necessary.

Mr. HARVEY. As I recall, it was January 20, not this year but a year ago, that President Nixon come in with his recommendation of the three alternatives that he presented at that time.

Secretary HODGSON. That is right. It was early last year and it was introduced in this current Congress in February of this year.

Mr. HARVEY. Does the administration still believe in those recommendations contained in that bill?

Secretary HODGSON. Thoroughly.

Mr. HARVEY. Just out of curiosity, Mr. Secretary, what reason do the signalmen give for wanting, as I understand it, a 54 percent increase over 36 months rather than a 42-percent increase over 42 months? That is the way the Washington Post described it this morning.

Secretary HODGSON. I would like to have you address the question to the signalmen representatives, themselves. To us, they indicated that there was a feeling on their part that it was time that it was recognized that their people were worth more than the recommendations of the Presidential Board and that they were out to reinforce that feeling of their membership.

Mr. HARVEY. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Pickle.

Mr. PICKLE. Thank you, Mr. Chairman.

Mr. Secretary, what has this strike done to Amtrack?

Secretary HODGSON. Amtrack is part of the Nation's railroad system. The Nation's railroad system is shutdown. The only commuting service that we know that is now in existence is the Long Island Railroad that is partly operating in New York and a small commuter service in the Chicago area.

Mr. PICKLE. Then Amtrack has been sidetracked. In one way, I suppose it is not unreasonable to observe that the last 2 days may have been the most profitable days that Amtrack has experienced; they have lost less money than any day since May 1.

Will you comment on that?

Secretary HODGSON. I guess I prefer not to.

Mr. PICKLE. Mr. Secretary, could you tell us—I am sure you know—what is the difference basically in the facts of the engineers who settled recently and the signalmen's case? There must be some reason why they won't accept what the engineers have agreed to which was an increase plus an agreement to certain work rules changes.

Can you tell us what is the basic difference or do you prefer to wait for the—

Secretary HODGSON. I would say simply it is a difference in concept as to what the respective union leaderships felt they had to resolve and the collective bargaining objectives that they respectively have.

Mr. PICKLE. I understand they want more time but I meant with respect to the actual differences. Are there work rules questions in this?

Secretary HODGSON. There were in the engineers' case and they were resolved but there are none here.

Mr. PICKLE. There are no work rules in this instance. Then the only question so far as you know is a matter of wages?

Secretary HODGSON. Matter of wages and the matters of the living conditions of the signalmen who are required to live away from home in some circumstances. There are a few other lesser issues but they are not work rules issues.

Mr. PICKLE. Now if the Congress were to agree to a longer period of time in this particular case with reference to postponement, would you see any difficulty or any damage done to the legislative process if this case is postponed 120 days and during that time we consider permanent legislation?

Secretary HODGSON. I think I indicated that if October 1 or some similar date were chosen to provide more time to resolve this dispute and, as you say, to consider other legislation, we would have no objection to that.

Mr. PICKLE. I would want to observe a final matter, Mr. Secretary, that, as the committee well knows, for some 6 years I have had legislation introduced that would have afforded a choice of procedures or arsenal of weapons approach, basically giving to the President certain alternatives. For many years, 3 or 4 at least, no action at all and no other legislation was introduced.

As we all know, President Nixon introduced legislation, proposed legislation, some 18 months ago.

In the meantime, three or four members of this committee have introduced their versions of some kind of improvement.

Now, it is high time that in the public interest we set an early date and I take it from your testimony that you, representing the administration, would urgently ask that we set immediate hearings on pending legislation.

Secretary HODGSON. I have been encouraging this kind of legislation and requesting the attention of both Houses of Congress to this legislation for some time. I would advise this committee that I and the representatives of my Department will be glad to work with you in the development of the legislation.

Mr. PICKLE. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Carter.

Mr. CARTER. Thank you, Mr. Chairman.

From time to time, this committee has been faced by strikes and threats of strikes. Of course, the strikes threaten to shut down industry, stop the movement of food, and increase hardship throughout our country. We have an interim solution here today that has been offered.

What is the long-range solution? How can we be fair both to labor and industry and insure that the public will be protected against the effects of a strike?

Secretary HODGSON. It seems to us to be clear that we should aim for a long-range solution that involves two things: First, an approach that does not replace collective bargaining, but attempts to encourage it and make it more effective and more certain of producing wise and responsible results and, second, a way of actually providing for a closure of a dispute without that dispute coming before Congress.

Mr. CARTER. Thank you, Mr. Secretary.

The CHAIRMAN. Mr. Murphy.

Mr. MURPHY. Mr. Secretary, does the pending Supreme Court decision on the appeals court case on UTU strikability have any effect on this particular situation causing the trainmen's walkout?

Secretary HODGSON. I believe not.

Mr. MURPHY. Would it have any effect on the time frame that the Congress might adopt in, say, a cooling-off period or negotiation period?

Secretary HODGSON. In what way are you suggesting?

Mr. MURPHY. In other words, if your answer was not "No" and perhaps there was an element of time involved, perhaps July 1 would be too close a period for a negotiation period that this committee might recommend.

Secretary HODGSON. There are many hypothetical aspects to that—what the decision will actually be, if the decision will come down, and what the reaction of the affected union in this dispute would be depending on what the decision was. I think you can hypothesize on it but I don't think you can come out with anything very conclusive on it.

Mr. MURPHY. Yes; but it might affect the decision of the signalmen which is something we are going to have to consider.

Now the last offer I understand made by the signalmen was on October 1, 1969, or demand, if you want to call it that. Is that correct?

Secretary HODGSON. There have been a series of section 6 notices, as they are called. That was the first of them.

Mr. MURPHY. When was the last one?

Secretary HODGSON. The last one was May 18, 1970.

Mr. MURPHY. And April 14, 1971, is the date of the Emergency Board's 179 decision?

Secretary HODGSON. Exactly.

Mr. MURPHY. What is the cents difference in the first step between those?

Secretary HODGSON. The section 6 notices are reopening notices. They are not offers. So, I don't really know how to respond to your question.

Mr. MURPHY. How far apart economically are the two parties?

Secretary HODGSON. The difference between 54 percent and 42 percent over a period of 42 months.

Mr. MURPHY. That gap has not been negotiated?

Secretary HODGSON. That is correct. We have not been able to close that gap.

Mr. MURPHY. You feel that by July 1 that period of time is enough to negotiate a difference?

Secretary HODGSON. I guess I responded to that question in one way or another. I think the chances of it are very good but I do not think so on the basis of any predisposed idea as to how it is going to occur but merely on the basis that experience has shown it can and usually does occur.

Mr. MURPHY. Would a longer period bring about a better possibility of settlement?

Secretary HODGSON. The length of period would seem to be relevant but, on the other hand, one of the reasons that this act's procedures have had such difficulty in producing resolutions of disputes in our judgment is the fact that they are so lengthy, that we can have these lengthy periods of time such as the time that existed in this instance between the initial opening of this case and the present time.

Mr. MURPHY. I have no other questions, Mr. Chairman.

The CHAIRMAN. Mr. BROWN.

Mr. BROWN. Mr. Secretary, what rail labor controversies are still pending besides, the current one with the signalmen?

Secretary HODGSON. The main case that is now active is the controversy that was before this committee in December involving the United Transportation Union. This controversy is the subject of a pending court case regarding a selective strike.

There are also a number of other upcoming or ongoing cases. The principal one at the present time other than the UTU involves the shopcraft unions.

Mr. BROWN. In those that have been settled, you say 12 percent for 40 months is the general pattern of the previous settlement. In those that have been settled, 12 percent a year—

Secretary HODGSON. Twelve percent a year is a better way of characterizing it.

Mr. BROWN. Most of those have a 40-month contract life?

Secretary HODGSON. Forty-two months.

There have been some encouraging developments in one area in which we have been working to bring some stability to labor relations in this industry. We have been successfully working toward contracts running for similar periods with a similar termination date. This will preclude the problem to a great extent that exists in so many cases now, it would avoid the situation in which a union involved in negotiations is concerned that a subsequent settlement by another union will make the original settlement look ill advised.

Mr. BROWN. So, you have contracts of different lengths terminating at different times currently among how many different unions within the railroad industry?

Secretary HODGSON. That is the way it has been but what we are saying is that the recently settled ones do have a similar termination date.

Mr. BROWN. How many unions are involved in this different time, different length of contract problem?

Secretary HODGSON. There are 16 unions in this industry.

Settlements involving termination dates that are common have been arranged with the Brotherhood of Railway Clerks, Maintenance of Way group, Hotel & Restaurant Employees, the Engineers Union, the Supervisors Union, the Dispatchers, and the Yardmasters.

Now also proposed, with no objection on the part of the union to this feature of the proposed agreement, is a similar date with regard to the United Transportation Union.

Mr. BROWN. That is about half the unions in the industry.

Secretary HODGSON. A little better than half.

Mr. BROWN. The bulk of the employees?

Secretary HODGSON. A substantial portion of the employees are still involved in upcoming negotiations and we hope to work out a similar arrangement with them.

Mr. BROWN. How long will the \$12-a-day unemployment compensation last if there is a total shutdown for an extended period of time?

Secretary HODGSON. We know of no cessation date for that payment.

Mr. BROWN. It comes from the railroad ownership directly?

Secretary HODGSON. Not directly; no. It comes as a result of payments by the employers into a fund over a period of time. This is part of the Railway Unemployment Insurance Act that was enacted in 1962.

Mr. BROWN. It can go into a deficit situation should the current fund be exhausted?

Secretary Hodgson. That is beyond my ken, Congressman.

Mr. BROWN. Does anybody else know?

Has the current railroad labor legislation with these deferral procedures and congressionally ordered delays worked to the detriment of railroad labor achieving timely wage increases to keep railroad labor on a parity with other labor in the United States, say, over the last 20 years?

Secretary HODGSON. I think it has been characteristic of the operation of the Railway Labor Act that disputes under that act remain in a dispute condition longer than those outside the industry; much longer.

Mr. BROWN. Finally, do you think a national economic shutdown would encourage this committee or this Congress to move toward some permanent labor legislation that would help us resolve these disputes in a more equitable and speedier fashion?

Secretary HODGSON. I think one effect of circumstances of this kind on all of us on both sides of this proceeding is the spurring of interest in doing something of that nature and the need for it.

Mr. BROWN. Mr. Chairman, I would like to ask that the Secretary or somebody in the Secretary's office provide us with information with reference to the \$12-a-day unemployment compensation fund, the nature of it, and how long it will last, how long employees of the railroad industry might receive that \$12 a day under the economic structure of that fund. They can submit that separately to the members and for the record.

The CHAIRMAN. Can the Secretary submit that?

Secretary HODGSON. We will be glad to do it. It is under the Railroad Unemployment Insurance Act.

(See "Answers to requests for additional material, p. 27, this hearing.)

The CHAIRMAN. Mr. Adams.

Mr. ADAMS. Thank you, Mr. Chairman.

Mr. Secretary, on page 1 you indicate a section 6 notice was filed in October 1969.

Was that nationwide notice or does it allow them to strike on a selective basis?

I notice on page 2 you say, "announced a nationwide intention to strike on March 5th, 1971."

But I want to know under the terms of the presently pending UTU case whether or not they have ever discussed or whether you believe that it is possible for them to hold a selective strike.

Secretary HODGSON. As I understand it, these notices are received individually on the railroads. Then the parties get together and conduct joint negotiations. The question of whether that arrangement does or does not provide unions with a right to strike selectively is the issue that is in dispute and is before the courts.

Mr. ADAMS. That is the reason for my second question.

We had Emergency Board No. 178 up here in December 1970. We have had Emergency Board 179 up here in March. There really was not a settlement of either of the two Emergency Boards because the UTU filed selective strike notices against two carriers which are presently pending.

What I am inquiring is whether or not this union has that course available to it in the same fashion. I am not trying to predict whether the Supreme Court will or will not rule on it, but is it in the same status as UTU in regard to that issue?

Secretary HODGSON. No question about it.

Mr. ADAMS. In other words, if UTU wins they could go ahead. If they lose they will not be able to.

Secretary HODGSON. That is correct.

Mr. ADAMS. I have some difficulty, perhaps it is only in degree, Mr. Secretary, determining how successful we have been in this matter of settling. Since I have been on this committee, if my memory is correct, we had the machinists and the airlines under this act in 1966, as well as the machinists and shopcrafts; in 1970, we had the sheet metal workers under the act and in 1970 we also had the operating unions under the act.

Tell me this: Have the shopcrafts filed section 6 notices pursuant to the act since they are the other half which have not settled?

Secretary HODGSON. That is correct. We have got some active upcoming bargaining in the shopcraft case.

Mr. ADAMS. What is the termination date of the shopcraft dispute?

Secretary HODGSON. There is no termination date.

Mr. ADAMS. By what date would an Emergency Board have to be appointed if the dispute has not been settled?

Secretary HODGSON. They have not invoked mediation at the present time so there is no upcoming specific date.

Mr. ADAMS. When does the contract between the shopcrafts and the railway management expire, or has it already expired?

Secretary HODGSON. I will ask Mr. Usery to respond to that.

Mr. USERY. Congressman, under the Railway Labor Act, there is no term contract as we commonly know it in other industry. The contracts go on and on and on.

Mr. ADAMS. I understand section 6 openers. You indicated to me you were getting that change to everybody having the same dates and times of movement. Now, how does that reconcile?

Mr. USERY. That reconciles this way. We have sought to end the periods of the wage increases or the moratoriums that they placed into effect all on that common date. Now, some of the unions have tighter moratoriums than others. We are trying to get as many things under the existing negotiations as possible, with a stronger moratorium and they could not serve any notices on any of these items covered under this until that date.

Mr. ADAMS. I appreciate that. I understand that point.

Tell me, at what date does this moratorium end; what is the termination point so far as the shopcrafts are concerned?

Secretary HODGSON. The shopcrafts have served their notices now. They are now in direct negotiations. They have not invoked media-

tion as of yet. When they do invoke mediation, then you would start the process and the clock would start running as far as the Board is concerned.

Mr. ADAMS. The reason that I asked this and to follow up on Mr. Brown's question is that when you listed the unions that have settled, you see, we have had all of these before us at one time or the other with, I think, two exceptions, maybe three, and it also breaks down into two halves, really three, the operating people with a certain amount of skills and the shop people with a certain amount of skills. I understand the fundamental issue in this one goes back to the shop dispute which is that the skilled workers want a greater differential than has been true in the past, because for a number of years flat percentage increases were given across the board to the entire industry.

Isn't that correct?

Secretary HODGSON. That is basically correct.

Mr. ADAMS. When are these people in the shopcrafts going to come up so that we are back in the same position because that affects the permanent or lack of permanent legislation before this committee?

In other words, you can't predict but they are presently negotiating and their contract moratorium has expired.

Secretary HODGSON. Yes, sir.

Mr. ADAMS. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Kuykendall.

Mr. KUYKENDALL. Mr. Secretary, I am not so happy to see you here this morning; to tell the truth, I don't think either of us is happy to be here this morning.

Secretary HODGSON. We share your sentiment.

Mr. KUYKENDALL. You have been asked by different members of the committee about a longer extension.

I would like to ask the same question and put a little amendment to it.

I believe your explanation of why the short period of time was in consideration of the worker, himself, to reach a settlement for his sake as quickly as possible. Is this not correct?

Secretary HODGSON. That is correct.

Mr. KUYKENDALL. Now, is it not true then that a longer period of time that does not include an interim settlement, which I believe you are on record as opposing, would not be satisfactory? Is that correct?

Secretary HODGSON. The problem with the longer period is the problem that you mentioned, that it is that much longer that these people will have to go without a wage increase. That is one of the reasons that we came up with a recommendation quite simply for as short a time as we felt was reasonable to let the collective bargaining process operate with a reasonable chance for success.

Mr. KUYKENDALL. How would you explain the fact that invariably when you have come before this committee, and this is with different administrations, both the previous administration and President Johnson and Secretary Wirtz, Secretary Shultz was here before us and then you, why is it that in every single case when it comes down to the point of final disagreement before the failure that causes you to come here, whether the Board be a board appointed by the Secretary of Labor of a Democratic administration or a board ap-

pointed by a Secretary of Labor of a Republican administration under a different President, why is it invariably labor objects to the Board's conclusion and management agrees to it?

Secretary HODGSON. I think you would have to ask the parties that, Congressman.

Mr. KUYKENDALL. Do you notice the amazing coincidence?

Secretary HODGSON. I have noticed that has occurred; yes. My memory of this does not go back as far as yours.

Mr. KUYKENDALL. Mr. Adams listed the ones that we have handled in my time and it has happened every single time. The chairman said that we are probably going to have to seek permanent legislation equally unacceptable to both sides. I don't think we are going to find something that will make both sides happy so we are probably going to have to make both sides equally unhappy.

Now, my last question.

I would like you to state carefully for the record the answer to this question.

Why is it that this Nation can survive for 45 days a General Motors strike but it can't even survive a 2- or 3-week railroad strike? I want you to explain the difference between the impact of a General Motors strike—General Motors is probably quite a bit bigger than the entire railroad industry in dollars—and the impact of a railroad strike.

Secretary HODGSON. The consumer goods industry in contrast to the distribution industry performs the function of supplying goods and needs to the American people. The transportation industry supplies a service to the American people. Service is a matter of every day, day-in-and-out need. The Nation has structured its economy to depend on the existence of a response to that need. So that, in the transportation industry there is an immediate hard problem raised by a strike that is nationwide in its magnitude. There is a certain amount of anticipatory behavior available to the parties in the consumer goods industry and that is not available to the parties in a distribution industry. Therefore, there is an entirely different impact, in effect.

Mr. KUYKENDALL. Would you say, sir; to summarize your conclusion, that in the case of the General Motors strike the economic health and condition of the two parties involved, the company and the unions, are the two pressure points of this particular bargaining but in the case of a national transportation strike, a national disaster, a national disaster takes place before economic pressure can be put on either party; is that correct?

Secretary HODGSON. I would say in the case of the strike that you referred to in the automobile industry the principal effect is on the parties, themselves. The major effect from a strike of the transportation industry extends far beyond the parties, themselves. It extends quickly to vast other segments of the public and ultimately to the entire public.

Mr. KUYKENDALL. This is the reason that you are considering national transportation legislation as different from broad labor legislation?

Secretary HODGSON. That is correct.

Mr. KUYKENDALL. Thank you, Mr Chairman.

Mr. MACDONALD (presiding). Mr. Blanton, before I recognize you in about 15 seconds, I have one very short question which is not earth shaking but I was terribly surprised this morning, coming down from Massachusetts, at the lack of knowledge by Amtrak that there was going to be a strike.

I was wondering, had you worked with Amtrak on this at all? Were they aware? Do you touch base with them? Because as a matter of fact in Springfield, Mass., a whole welcoming committee, Federal dignitaries and local dignitaries and State dignitaries went down to the Springfield railroad station to welcome the first Amtrak train being run from Boston to Springfield.

I was wondering what your relationship with Amtrak has been in this whole dispute.

Secretary HODGSON. There are a great many ironies in this situation, Mr. Congressman, including the fact that the day the strike started was the start of the National Transportation Week. The Amtrak organization is an organization that subcontracts its services to the railroads of this country. The railroad management of this country is the link to Amtrak. It is the railroad management's responsibility to keep them informed.

Mr. MACDONALD. Does it not seem incredible to you that they would show up to welcome a train when everybody else in the country knows a strike is to happen? It does not speak well for the expertise of Amtrak, and I voted for it.

Secretary HODGSON. It is a fledgling organization.

Mr. MACDONALD. Mr. Blanton.

Mr. BLANTON. No questions, Mr. Chairman.

Mr. MACDONALD. Mr. Skubitz.

Mr. SKUBITZ. Thank you, Mr. Chairman.

Mr. Secretary, I am interested in knowing just how serious negotiations have been between management and labor. From October 1, 1969, the date the union served its notice requesting wage increases to March 15, 1971, the date that the Emergency Board convened, how many meetings were actually held and how much time consumed between management and labor in trying to negotiate their problems?

(See "Answers to requests for additional information," p. 27, this hearing.)

Secretary HODGSON. There were hundreds of hours spent by both management and labor during the period of this dispute with the National Mediation Board, with the Labor Department, in attempting to resolve this. We have a calendar of events indicating meeting days and the participants that we will be happy to supply the committee to give you the specifics on it.

Mr. SKUBITZ. I would like to read a statement made by C. J. Chamberlain:

We are now in the eighteenth month since October 1, 1969 wage notice was served. We have met with the carriers on five occasions during that period. Total time consumed in such conferences did not exceed eight hours.

I don't see how this jibes with your statement.

Secretary HODGSON. You are talking about face-to-face meetings with the carriers. Those who are familiar with negotiations and par-

ticularly negotiations that involve mediations knowingly that such meetings, quite frequently are just the tip of the iceberg. Most of the meetings are conducted between mediators and one side or the other. The mediators get together with the various parties separately to see what movements can be arranged between the parties in regard to their respective positions. As I say, face-to-face meetings are just the tip of the iceberg.

Mr. SKUBITZ. I have done a little negotiating. That may be what you call the tip but it seems to me that when management sits across the table from labor they get a better understanding, a better grip, than by having a mediator carrying messages between the two groups.

If we pass legislation, are we just going to negotiate through a third party?

Secretary HODGSON. Are you suggesting that we adopt some other procedures than those that are used traditionally in settling cases?

Mr. SKUBITZ. I would suggest that perhaps management and labor ought to get together in a conference room and try to iron these things out; yes.

Secretary HODGSON. I guess management and labor will have to take that suggestion under advisement.

Mr. SKUBITZ. I yield.

Mr. BROWN. Mr. Secretary, I would like to ask for another bit of information for the record, if I could, and hopefully to be supplied to the individual members of the committee.

Could you give us a listing of the unions within the rail industry, the number of employees, current termination dates of their contracts, the length of the contracts, the status of the contracts, whether in dispute or not in dispute, and if in dispute some brief summary of the economic differences, the work rules differences and the status of any imposed cooling-off period within that particular contract and the existence of any settlement boards and their recommendations?

Secretary HODGSON. We will be happy to do that.

I would say that with regard to your suggestion of termination dates, of course, the termination date is not the usual termination date with which we are familiar in other agreements. As Mr. Usery says, it is a period covered by existing wage increases until those subjects can be opened but we will give you that date.

Mr. BROWN. Thank you.

(The following information was received for the record:)

ANSWERS TO REQUESTS FOR ADDITIONAL MATERIAL

PAGE 12 OF THE HEARING

Mr. Moss. Since we started ordering the railroad workers back to work and settling railroad disputes back in 1963 when we had the Manning question before us, what is the percentage increases these workers have received, the aggregate?

Answer

1. Aggregate average wage increases in the railroad industry since 1963, by union (attached).

2. Comparison of Presidential Emergency Board No. 178. Recommendations and negotiated contracts of unions which are parties to the Board's proceeding (attached).

Mr. Moss. Go back to 1969 and take the settlements recently announced in, I think, the can industry and autos, how do those folks compare with the gross increase (i.e., in railroads)?

Secretary HODGSON. The increase in the can industry is generally attributed to be somewhere between eight and nine percent over a period of the agreement. The proposed increase here, as you know, is around 12 percent.

Mr. Moss. Let us take it for a decade.

Would the can workers come out ahead or the railroad workers? If they had the 54 percent they are seeking, would they be showing a greater gross increase over that period of the last decade?

Answer

1. Aggregate average wage increases in other industries since 1963 (attached).

Mr. BROWN. Mr. Chairman, I would like to ask that the Secretary or somebody in the Secretary's office provide us with information with reference to the \$12 a day unemployment compensation fund, the nature of it, and how long it will last, how long employees of the railroad industry might receive that \$12 a day under the economic structure of that fund. They can submit that separately to the members and for the record.

The CHAIRMAN. Can the Secretary submit that?

Answer

3. Section-by-section application of Railroad Unemployment Insurance Act provisions in strike cases (attached).

Mr. SKUBITZ. Mr. Secretary, I am interested in knowing just how serious negotiations have been between management and labor. From October 1, 1959, the date the union served its notice requesting wage increases to March 15, 1971, the date that the Emergency Board convened, how many meetings were actually held and how much time consumed between management and labor in trying to negotiate their problems?

Answer

10. Chronology of events (attached).

Mr. BROWN. Mr. Secretary, could you give us a listing of the unions within the rail industry, the number of employees, current termination dates of their contracts, the length of the contracts, the status of the contracts, whether in dispute or not in dispute, and if in dispute some brief summary of the economic differences, the work rules differences and the status of any imposed cooling-off period within that particular contract and the existence of any settlement boards and their recommendations?

Answer: (Material follows.)

RAILROAD UNIONS WHICH NEGOTIATE ON A NATIONAL BASIS AND THE STATUS OF NEGOTIATIONS

The following tables identify the fourteen unions, representing over 500,000 railroad workers, which bargain on a national basis with the National Railway Labor Conference (NRLC). The tables contain a brief summary of settlements where agreements have been reached and a statement of the status of negotiations where contracts have still to be reached.¹

¹ The tables list expiration dates of agreements although labor contracts in the railroad industry never really terminate. The expiration date (which is called a moratorium in the industry) represents the earliest time when the parties are free to make changes in the agreement. Under the Railway Labor Act, unions and employers are not free to resort to self-help until 30 days after the National Mediation Board formally withdraws its services. The Board withdraws from a case only after it has proffered arbitration to the parties and one or both sides declines the proffer. Even at this juncture a strike can be forestalled for another 60 days if a Presidential Emergency Board is appointed.

Six of the unions, representing 246,000 workers, have negotiated agreements with the NRLC. Eight unions, six of which are in the shopcraft group, are currently in various stages of negotiations. These eight unions represent some 273,000 railroad employees. One of the organizations, the United Transportation Union (UTU), is involved in two disputes.

The first three agreements to be reached in the current bargaining round were negotiated by unions which were parties to the proceedings of Presidential Emergency Board No. 178. The wage increases and other terms of the subsequent settlements incorporated many of the recommendations of that Board. Although the Board recommended wage increases for 1970, 1971 and 1972, the agreements provide for additional wage adjustments in 1973, and call for wage increases totaling approximately 42 percent over a 42-month period.

The Brotherhood of Locomotive Engineers (BLE) and two smaller unions subsequently negotiated settlements following the pattern established by the first three organizations.

The settlement negotiated by the BLE includes wage increases and many of the work rules changes recommended by Emergency Board No. 178 but rejected by the United Transportation Union. The UTU, which together with the BLE represent nearly all train operating employees, was the fourth union involved in the proceedings of Emergency Board No. 178.

AGGREGATE AVERAGE WAGE INCREASES IN THE RAILROAD INDUSTRY SINCE 1963, BY UNION

[In percent]

	1963-70	1963-73
Brotherhood of Maintenance of Way Employees (AFL-CIO).....	56.9	100.0
Hotel & Restaurant Employees & Bartenders International Union (AFL-CIO).....	74.5	122.2
Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express & Station Employees (AFL-CIO).....	57.6	99.6
American Train Dispatchers Association (AFL-CIO).....	48.9	86.8
Railroad Yardmasters of America (AFL-CIO).....	47.3	85.2
Brotherhood of Locomotive Engineers (independent).....	50.0	90.9
United Transportation Union (AFL-CIO).....	49.1	(1)
Brotherhood of Railroad Signalmen (AFL-CIO).....	57.5	(1)
Shopcraft unions: International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers & Helpers (AFL-CIO); International Brotherhood of Electrical Workers (AFL-CIO); International Brotherhood of Firemen & Oilers (AFL-CIO); International Association of Machinists & Aerospace Workers (AFL-CIO); Brotherhood of Railway Carmen of the United States and Canada (AFL-CIO); International Association of Sheet Metal Workers' (AFL-CIO).....	58.2	

¹ Wage increases for 1971, 1972, and 1973 have yet to be negotiated.

Source: National Railway Labor Conference.

Aggregate Average Wage Increases in Other Industries Since 1963

1963-March 1971
(Percent)

Total Private Non-Agricultural Establishments.....	42.4
Total Manufacturing Establishments.....	43.1
Manufacturing of Durable Goods.....	42.2
Motor Vehicles and Equipment.....	52.6
Metal Cans.....	35.0
Manufacturing of Non-Durable Goods.....	44.6

SOURCE: Employment and Earnings Statistics, Bureau of Labor Statistics, U.S. Department of Labor.

COMPARISON OF PRESIDENTIAL EMERGENCY BOARD NO. 178 RECOMMENDATIONS AND NEGOTIATED CONTRACTS OF UNIONS WHICH WERE PARTIES TO THE BOARDS' PROCEEDINGS

	Emergency Board recommendations issued Nov. 9, 1970	Maintenance of Way Workers' Agreement	Hotel & Restaurant Workers' Agreement	Railway & Airline Clerks' Agreement
No. of workers covered	Not applicable	74,000	4,000	125,000
Date of settlement	do	Feb. 4, 1971	Feb. 4, 1971	Feb. 14, 1971
Duration	36 months, to expire Jan. 1, 1973	42 months, expires July 1, 1973	Same as BMW E agreement	Same as BMW E agreement
Wages	Effective Jan. 1, 1970—5 percent Effective Nov. 1, 1970—32 cents Effective Apr. 1, 1971—4 percent Effective Oct. 1, 1971—5 percent Effective Apr. 1, 1972—5 percent Effective Oct. 1, 1972—5 percent	Same as Emergency Board do do do do do	Same as Emergency Board do do do do do	Same as Emergency Board do do do do do
Accidental death and injury insurance	Carriers provide group insurance protection to employees who travel in authorized off-track vehicles, similar to signalmen plan.	Apr. 1, 1973—25 cents Same as Emergency Board	Apr. 1, 1973—25 cents Same as Emergency Board	Jan. 1, 1973—15 cents Apr. 1, 1973—10 cents Same as Emergency Board
Holidays	No holiday improvements	1 more totaling 9 (effective January 1, 1973)	Money equivalent of one additional holiday	Same as BMW E agreement
Vacations	No vacation improvements	5 weeks vacation after 25 years of service, effective January 1, 1973.	Employees who enter the armed services and subsequently return to their employment are entitled to count the time spent in the service towards vacation eligibility.	
Service time vacation provision	Recommended withdrawal	Eliminates the "birthday holiday" and adds Good Friday as a paid holiday in its place.		
Birthday holiday rule	The carriers be permitted to blank an employee's birthday holiday instead of paying premium rates.	Same as Emergency Board	Same as Emergency Board	Same as Emergency Board.
Force reduction	A modification of the current rule requiring 16 hours prior notification to allow temporary force reductions without notice in emergency situations resulting in part a) or complete shutdown of rail operations.			
Absorbing overtime	The establishment of a rule permitting the carriers to assign other employees to assist a worker who otherwise may be required to work overtime.	Same as Emergency Board, except prohibits crossing of craft lines to perform such work.	Not applicable	Same as BMW E Agreement.
Shift rule	Establishment of a rule eliminating granting of premium pay for work performed on the day after a holiday notwithstanding the fact that the actual holiday falls on the employee's rest day.	Same as Emergency Board	do	Same as Emergency Board.
Standing committee	The establishment of a standing committee, headed by a neutral, to mutually resolve problems in the industry.	Agreement to pursue the establishment of such a committee to which all four railroad organizations and members of the NRRC would be party to.		
Consolidation of clerk-telegrapher work	The establishment of a rule permitting work assignments be made interchangeably between clerks and telegraphers.	Not applicable	Not applicable	Along the lines of the Emergency Board recommendations, except provides certain limits on assignments and a variety of protective provisions and allowances for displaced workers affected by the changes.

AMERICAN TRAIN DISPATCHERS

Number of Workers: 3,000.

Date of Settlement: April 20, 1971.

Duration: 42 months, expires July 1, 1973.

Wages: 42 percent over a 42-month period.

Effective:

January 1, 1970—5 percent.

November 1, 1970—\$64 a month.

April 1, 1971—4 percent.

October 1, 1971—5 percent.

April 1, 1972—5 percent.

October 1, 1972—5 percent.

April 1, 1973—\$50 a month.

Holidays: Ninth additional paid holiday.

Vacation: Five weeks after 25 years of service, effective 1973.

Insurance: Carrier-paid insurance policy up to \$100,000 plus other benefits for employees injured or killed in accidents on off-track vehicles authorized by the carrier.

RAILROAD YARDMASTERS OF AMERICA

Number of Workers: 4,000.

Date of Settlement: April 23, 1971.

Duration: 42 months, expires, July 1, 1973.

Wages: 42 percent over a 42-month period. It is reported the wage increases are similar to those granted to the American Train Dispatchers.

Holidays: Veteran's Day as an eighth paid holiday.

Vacation: Five weeks after 25 years of service.

Jury Duty: A make-up of the difference between an employee's regular pay and the amount he receives while on jury duty for a maximum of 60 days of such duty each year.

BROTHERHOOD OF LOCOMOTIVE ENGINEERS

Number of workers: 36,000.

Date of settlement: May 13, 1971.

Duration: 42 months, expires July 1, 1973.

Wages:

Effective:

January 1, 1970—5 percent.

November 1, 1970—32 cents.

April 1, 1971—4 percent.

October 1, 1971—5 percent.

April 1, 1972—5 percent.

October 1, 1972—5 percent.

January 1, 1973—15 cents.

April 1, 1973—10 cents.

Holidays: One additional paid holiday, making a total of 9, effective January 1, 1973.

Vacations: Five weeks vacation after 25 years of service, effective January 1, 1973.

Service-time vacation provision: Employees who enter the armed services and subsequently return to their employment are entitled to count the time spent in the service towards vacation eligibility.

Jury duty: Payment for actual time lost.

Standing committee: The establishment of a standing committee consisting of two carrier representatives, two union representatives, and a neutral chairman to mutually resolve problems in the industry.

WORK RULES

1. *Switching limits.*—Changes in switching limits for yard crews which cannot be agreed upon by the carriers and union General Chairman will be submitted to arbitration.

2. *Switching services for new industries and other industries.*—Extension of present limits within which yard crews can perform switching operations including servicing all customers within four miles of the railroad yard.

3. *Interchange service.*—Revision of interchange operations to allow road crews to deliver pre-blocked trains without turning them over to a yard crew, permit the use of adjacent tracks for interchanging freight cars without waiting to fill one track before using another and permit crews delivering cars to another railroad to bring cars back to their own yard.

4. *Road-yard movements.*—Rule changes to allow freight road crews to handle a limited amount of switching connected with their own trains, such as setting out cars needing repairs and changing engines and cabooses.

5. *Use of radio.*—Telephones on Locomotives—Elimination of additional compensation for using radios rather than flags and other signal devices.

6. *Away from home expenses.*—Extension of benefits to cover extra men filling temporary vacancies at outlying points.

7. *Interdivisional runs.*—Acknowledgement of the right of the carriers to institute interdivisional runs, rather than change crews every 100 miles.

UNIONS CURRENTLY INVOLVED IN NATIONAL CONTRACT NEGOTIATIONS

UNITED TRANSPORTATION UNION

Number of workers: 141,000.

Wage and Rules Dispute

Expiration date: December 31, 1969.

Status of dispute

The UTU is legally free to strike the Nation's railroads; however, the union is seeking court clarification of its right to strike selectively. On April 15, the U.S. Court of Appeals stayed its decision upholding the right of the UTU to selectively strike pending an appeal to the Supreme Court. The stay will terminate the day after the present Supreme Court term ends unless that court grants *certiorari*. The current term is scheduled to end on or about June 7.

Issues

The major issues in the dispute continue to focus around the report of Presidential Emergency Board No. 178 which was submitted on November 9, 1970. The Board recommended substantial wage increases for the employees in return for the relaxation of a number of restrictive work rules. The wage increases called for a 5 percent increase retroactive to January 1, 1970, 32 cents an hour effective November 1, 1970, 4 percent on April 1, 1971, and three additional 5 percent increases effective October 1, 1971, April 1, 1972, and October 1, 1972. The first two of these increases were placed into effect by the Congress as part of the December 10, 1970 Joint Resolution.

The key rules changes recommended by Emergency Board 178 include:

- Prohibiting additional and separate compensation for using radio communication systems.

- Allowing the carriers to institute interdivisional runs.

- Allowing the carriers more flexibility in interchange operations.

- Implementation of certain Presidential Railroad Commission findings combining road and yard services.

- Requiring the merger of road and yard seniority rosters.

Fireman Manning Issue

Status of dispute

The UTU is legally free to strike all the Nation's carriers. The union can also conduct strikes against selected roads as the result of a U.S. District Court decision issued March 8. An appeal to this decision has been filed by the carriers. However, the union is not expected to take any action on the fireman manning issue while the wage and work rules issue remains unsettled.

Issue

The fireman manning issue, which arose in 1959, was the subject of inquiry by the special Presidential Railroad Commission from 1960 to 1962 and by a Presi-

dential Emergency Board and a Board of Arbitration in 1963. As a result of the award of Arbitration Board No. 282 established pursuant to P.L. 88-108, approximately 17,000 firemen positions were eliminated on freight and yard engines prior to expiration of the Award in 1966. The UTU soon after began seeking restoration of a substantial number of the abolished jobs. In 1970 the union struck several railroads and creation of Presidential Emergency Board 177 ended the strikes. The Emergency Board recommended a job classification combining the duties of firemen and brakemen with attrition eliminating the firemen classification. Negotiations between the union and the companies have continued intermittently.

BROTHERHOOD OF RAILWAY SIGNALMEN

Number of workers : 10,000.

Expiration date : December 31, 1969.

Status of dispute : The Joint Resolution passed by Congress and signed by the President May 18, 1971, provides that the parties must maintain the *status quo* until October 1, 1970.

Issues : Emergency Board No. 179 in its report of April 14, 1971, recommended the following wage increases :

January 1, 1970—5 percent.

November 1, 1970—30 cents skilled workers.

November 1, 1970—18 cents assistants and helpers.

April 1, 1971—4 percent.

October 1, 1971—5 percent.

April 1, 1972—5 percent.

October 1, 1972—5 percent.

January 1, 1973—15 cents.

April 1, 1973—10 cents.

The 1970 recommended increases were placed into effect by the May 18, 1971, Joint Resolution.

The BRS rejected the Emergency Board's recommendations which would have provided wage increases totaling 42 percent over 42 months and is seeking increases totaling 54 percent over three years. In addition, the union seeks the elimination of camp cars as quarters for employees required to live away from home and the payment of actual expenses for meals and lodging.

SHOPCRAFT UNIONS

Unions	Number of workers
Machinists -----	19,000
Boilermakers and Blacksmiths -----	5,000
Electrical Workers (IBEW) -----	16,500
Railway Carmen -----	51,000
Sheet Metal Workers -----	7,500
Firemen and Oilers -----	18,000
Total -----	117,000

Expiration date : December 31, 1970.

Status of Negotiations

For the past five months the shopcraft unions have been attempting to induce the railroads to bargain individually rather than on a nationwide basis. The aim of the unions, which comprise the Railway Employees' Department of the AFL-CIO, was to avoid a nationwide rail stoppage and to engage in selective strikes if agreements were not reached. The companies resisted separate negotiations and insisted on bargaining nationally through their industry-wide negotiation committee, the National Railway Labor Conference (NRLC). On the weekend of May 22, the unions agreed to national handling of the negotiations. The shopcraft unions' decision was influenced by two recent court decisions, both being appealed by the carriers, permitting the United Transportation Union to strike selected roads when impasses were reached on issues being negotiated nationally.

Four of the shopcraft unions which are bargaining as a unit will begin negotiations with NRLC on June 2 in Washington, D.C. The four organizations are the Machinists, Boilermakers and Blacksmiths, Electrical Workers, and Carmen.

The Sheet Metal Workers and the Firemen and Oilers will each conduct separate negotiations with the NRLC.

All six shopcraft unions have presented similar demands to the railroads. These include wage increases of 20 percent effective on January 1, 1971 and January 1, 1972 (Shopcraft workers already have received increases for 1970), a cost-of-living escalator clause, uniform minimum hourly rates for mechanics and other shop employees, penalty pay for retroactive pay increases, longevity pay, shift premiums, and bereavement leave.

The Sheet Metal Workers are demanding an additional wage increase effective January 1, 1973, which would be based on the average annual wage increases in the trucking and airline industries since January 1970, premium pay for Saturday and Sunday work, and the abrogation of the "incidental work rule." During the 1970 wage negotiations, the Sheet Metal Workers' membership rejected a tentative agreement because of the inclusion of this rule. The rule permits other shop employees to perform, under certain circumstances, work traditionally done by another craft. However, the tentative agreement in its entirety was imposed on the union by Congress on April 10, 1971, to forestall a national railroad shutdown.

SECTION-BY-SECTION APPLICATION OF RAILROAD UNEMPLOYMENT INSURANCE ACT PROVISIONS IN STRIKE CASES

General. Both unemployment and sickness benefits are paid under the Railroad Unemployment Insurance Act. This statement will deal only with unemployment benefits, since strikes do not affect entitlement to sickness benefits. Applicable sections of the Act and of the Board's regulations will be indicated parenthetically, if not otherwise stated.

An individual whose unemployment results from a strike may himself be a striker, or he may be a nonstriker who is unemployed because other employees are on strike. In either case he is entitled to unemployment benefits only if he satisfies the same qualifying condition and eligibility requirements which all other employees must satisfy in order to obtain unemployment benefits, and if he is not adversely affected by any of the disqualifying conditions set out in the Act for application to all claimants.

Strike disqualification. The only provision of the Railroad Unemployment Insurance Act which applies specifically to unemployment resulting from strikes is the disqualifying conditions set out in Sections 4(a-2) (iii) and 4(b). Under this so-called strike disqualification, a claimant is disqualified⁴ for any day on which his unemployment was due to strike at his place of employment which was commenced in violation of the provisions of the Railway Labor Act, or of the established rules and practices of a labor organization of which he is a member (Section 4(a-2) (iii)). This disqualification does not apply if the Board finds that (1) the employee is not participating in, or financing, or directly interested in the strike which causes the stoppage of work, and that (ii) he does not belong to a grade or class of workers of which, immediately before the commencement of the stoppage, there were members employed in the establishment, premises, or enterprise at which the stoppage occurs, any of whom are participating in, or financing, or directly interested in the dispute (Section 4(a-2) (b)).

If the employee is not disqualified under this condition, his rights to benefits, and his obligations, will be the same as though his unemployment had not been caused by a strike. These are summarized below.

Qualifying condition. In order to receive railroad unemployment benefits, an employee must have been paid compensation by employers covered under the Railroad Unemployment Insurance Act amounting to not less than \$1,000 with respect to the base year for the benefit year in which he is claiming benefits (Section 3). In addition, if the base year in question was the first one in which he worked in the railroad industry, he must have been paid some compensation in at least 7 different months in that base year (Section 3).

Benefit year; base year. The benefit year is, generally, the 12-month period beginning July 1 of any year and ending on June 30 of the next year (Section 1(n)). The benefit year may be enlarged, however, to provide for the payment of additional benefits to long-service employees who have rendered 10 or more years of service in the railroad industry (Section 2(c)). The base year is the calendar year immediately preceding the beginning of the benefit year in question (Section 1(n)).

"Day of unemployment"; general eligibility requirements. Railroad unemployment insurance benefits are paid for "days of unemployment" in a benefit year. To be eligible for unemployment benefits, a qualified employee must be able to work and be available for work (Section 1(k)). In general, a "day of unemployment" is a day on which he meets these conditions, and also it is a day for which he does not receive any pay, is not disqualified, and has registered in accordance with the Board's regulations (Section 1(k)).

Daily benefit rate. The amount of an employee's unemployment benefits depends upon his daily benefit rate and the number of days for which he can be paid benefits (Section 2(a), (b), (c)). The benefit rate is determined by either (1) his total creditable compensation in the base year, using a schedule set out in the Act, or (2) the daily rate of pay for his last employment in the base-year (Section 2(a)). The schedule is as follows:

<i>Creditable base-year earnings</i> <i>(Subject to \$400 per month maximum)</i>	<i>Daily benefit rate</i>
\$1,000-\$1,299.99	\$8.00
\$1,300-\$1,599.99	8.50
\$1,600-\$1,899.99	9.00
\$1,900-\$2,199.99	9.50
\$2,200-\$2,499.99	10.00
\$2,500-\$2,799.99	10.50
\$2,800-\$3,099.99	11.00
\$3,100-\$3,499.99	11.50
\$3,500-\$3,999.99	12.00
\$4,000 and over	12.70

If the benefit rate as shown in the schedule is less than 60 percent of his daily rate of pay, it is increased to 60 percent, subject to the maximum of \$12.70 (Section 2(a)). For example, if the employee had total creditable compensation of \$1,800 in the base year, his benefit rate would be \$9 provided that his rate of pay was not over \$15. If his rate of pay was higher (\$20 for example), the benefit rate would also be higher (\$12 in this case). In practice, most benefits are paid at the \$12.70 daily rate.

Registration. Pursuant to authority conferred in Section 1(k) of the Act, the Board has adopted regulations with respect to registration for benefits (20 CFR, Part 325). Under those regulations, an employee must register with respect to each day he wishes to claim as a day of unemployment within six days after that day; a continuously unemployed employee may therefore register for unemployment benefits every 7 days. By signing his name on the claim form, the employee affirms that on each day claimed he met the various eligibility conditions described on that form, and that he understands the penalties for making false and fraudulent statements.

Registration period. A registration period for unemployment is normally a period of 14 days beginning with the first day for which the employee registers or the first day claimed after the end of a preceding registration period (Section 1(h)).

Benefits for each registration period. Unemployment benefits are payable to a qualified employee for each day of unemployment over 4 in any registration period (Section 2(a)). The maximum for any 14-day registration period is therefore 10 times the maximum daily rate of \$12.70, or \$127.

Limit on benefits in a benefit year. Normal benefits for unemployment may be paid for a maximum of 130 compensable days in a benefit year, except that the total amount of benefits may not exceed the total amount of the employee's creditable compensation in the base year (Section 2(c)). A qualified employee who is continuously employed therefore has normal unemployment benefit protection for a maximum of 26 weeks in a benefit year. After exhausting normal unemployment benefits for a benefit year, an employee with 10 or more years of railroad service may be eligible for additional unemployment benefits, in what is known as an extended benefit period, provided he did not voluntarily retire or quit voluntarily without good cause (Section 2(c)). The days of unemployment for which he may be paid such additional benefits may not exceed 65 if he has less than 15 years of service, or 130 if he has 15 or more years of service. [Seldom does a strike in the railroad industry last longer than a few days or a week.]

Acceleration of benefit year. An employee with 10 or more years of service who is not currently qualified but will be a qualified employee in the next benefit year

may start that next benefit year early. The accelerated benefit year will begin at the beginning of any month in which he starts 14 or more consecutive days of unemployment and meets the same conditions specified for eligibility in an extended benefit period (Section 2(c)).

Disqualification. The strike disqualification is described above, under the topic heading "Strike Disqualification." There are other disqualifying conditions: for leaving work voluntarily without good cause (Section 4(a-2)(i)); for leaving work voluntarily with good cause (Section 4(a-2)(i)); for refusing, without good cause, to accept suitable work, or for failing, without good cause, to follow instructions from the Board to apply for work or to report to an employment office (Section 4(a-2)(ii)); for making a false or fraudulent statement or claim in order to get benefits (Section 4(a-1)(i)); for receipt of a separation allowance (Section 4(a-1)(iii)); and receipt of certain other types of social insurance benefits (Section 4(a-1)(ii)).

Administration of the program. The Board's Bureau of Unemployment and Sickness Insurance has general responsibility for the administration of the unemployment insurance program. All claims are processed in the headquarters office in Chicago, using the Board's computer installation. There are seven regional offices which are responsible for the operation and maintenance of all district offices. The district offices examine claims for unemployment benefits, make preliminary determinations of eligibility for unemployment benefits, and conduct eligibility interviews.

Claiming unemployment benefits. The employee must visit an unemployment claims agent in order to register for benefits. Usually, the claims agent is a railroad employee at his place of work, selected by his employer to take applications and claims for benefits and to transit them to the nearest Board field office. Foremen, supervisors, and station agents frequently are selected as unemployment claims agents.

The claims agent gives the claimant printed instructions regarding his responsibilities, and a statement of the penalties that may be imposed for making false or fraudulent statements in connection with a claim. He also assists the claimant in filling out his application for unemployment benefits and his claim forms for each registration period.

The procedure, as well as the substantive law, is the same for those whose unemployment is caused by a strike as it is for those whose unemployment is not the result of a strike. However, when a large number of employees are unemployed because of a strike, the normal requirements as to time of registration may be difficult to comply with. The regulations authorize the Director of Unemployment and Sickness Insurance to extend the period in which registration can be made in such a case. This extension not only enables unemployment claims agents to schedule registrations of claimants over a longer period of time than is usually allowed; it also means, in most cases, that the employee can complete his claim by one appearance before the claims agent.

HISTORY OF THE ADOPTION OF THE STRIKE DISQUALIFICATION

The present strike disqualification provisions have been in the Railroad Unemployment Insurance Act since the Act was originally enacted in 1938. They were included in the identical House and Senate bills, H.R. 10127 and S. 3772, 75th Cong., 3d Sess., on which committee hearings were held. They were mentioned at the committee hearings by witnesses for the proponents of the bills (Hearings Before Subcommittee of the Committee on Interstate and Foreign Commerce on H.R. 10127, at page 35, and Hearings Before Committee on Interstate Commerce on S. 3772, at page 22, both 75th Cong., 3d Sess. (1938)). Mr. C. D. Young, a witness for the Association of American Railroads, which opposed the bills, made the following statement (Hearings on H.R. 10127, *supra*, at page 133):

"This bill introduces a new and novel feature, in that an employee unemployed due to a strike not in violation of the Railway Labor Act or the established rules and practices of a bona fide labor organization of which he is a member, is entitled to benefits. Thus, the unemployment fund would become a strike benefit fund to a group directly responsible for the stoppage of work, causing their unemployment as well as that of related groups not directly involved in the strike.

"The provisions of this bill in reference to striking employees are contrary to the laws of the States. There are 45 States which have provisions unreservedly disqualifying striking employees from receiving benefits while on strike; in 3 others—Arizona, Montana, and Utah—this disqualification is subject to modification, dependent upon certain acts of omission or commission of the employer; and in only 3 States—New York, Pennsylvania, and Rhode Island—do the laws limit the period of disqualification."

The committee reports described the strike disqualification (S. Rept. No. 2164 and H. Rept. No. 2668, both 75th Cong., 3d Sess., at page 6).

Congress enacted H.R. 10127 with the limited strike disqualification as set out in the bills. It has been unchanged since, except for a renumbering of the paragraphs in Section 4 of the Act.

PROBLEMS IT WAS INTENDED TO SOLVE

There is reason for believing that when Congress enacted the Railroad Unemployment Insurance Act in 1938 with only a limited strike disqualification, it was offering the payment of unemployment benefits to strikers as an inducement to secure their compliance with the provisions of the Railway Labor Act prior to the strike. The Railway Labor Act directs employees to go through a time-consuming procedure, involving not only collective bargaining but also one or more possible lengthy delays in mediation, arbitration, and proceedings before a Presidential Emergency Board, before they may legally strike. In *Detroit & Toledo Shore Line RR. Co. v. United Transportation Union*, 396 U.S. 142 (1969), at page 149, the Supreme Court said of the procedures under the Railway Labor Act:

"A final and crucial aspect of the Act was the power given to the parties and to representatives of the public to make the exhaustion of the Act's remedies an almost interminable process. As we noted in *Railway Clerks v. Florida E. C. R. Co.*, 384 U.S. 238, 246 (1966), 'the procedures of the Act are purposely long and drawn out, based on the hope that reason and practical consideration will provide in time an agreement that resolves the dispute.'"

As indicated above, it was brought to the attention of Congress, when it was considering the bills which became the Railroad Unemployment Insurance Act of 1938, that their provisions would permit the payment of unemployment benefits to strikers unless their strike was commenced in violation of the provisions of the Railway Labor Act (or the established rules and practices of their labor organization). Nonetheless, Congress enacted the legislation with that limited strike disqualification. In *Brotherhood of Railway and Steamship Clerks v. Railroad Retirement Board*, 239 F. 2d 37 (1956), the United States Court of Appeals for the District of Columbia had occasion to pass on the strike disqualification in the Railroad Unemployment Insurance Act. Writing for that court, Judge Warren Burger (now Chief Justice of the United States Supreme Court) reviewed the legislative history described above and stated (pages 42-43):

"Thus, Congress deemed continuous, uninterrupted operation of railroads so vital to the public interest that it offered to railroad workers this special dispensation conditioned upon their compliance with procedural safeguards plainly designed to defer strikes to the last possible moment."

It thus appears that for more than 30 years the payment of unemployment benefits to strikers—if their strike was not commenced in violation of the provisions of the Railway Labor Act (or their union's rules and practices)—has been part of the plan adopted by Congress to secure the settlement of labor-management disputes in the railroad industry with as little interruption of railroad operations as possible.

AMOUNTS OF UNEMPLOYMENT BENEFITS PAID AS A RESULT OF STRIKES IN THE RAILROAD INDUSTRY

Following is a table prepared by the Office of the Director of Research, providing the requested statistics as to the unemployment benefits paid under the Railroad Unemployment Insurance Act as a result of strikes in the railroad industry. The table covers the five most recent complete fiscal years, and the present (unfinished) fiscal year through April 30, 1971.

UNEMPLOYMENT BENEFITS AND BENEFITS PAID AS A RESULT OF STRIKES IN THE RAILROAD INDUSTRY,
FISCAL YEARS 1965-66 TO DATE

Fiscal year	Total unemployment benefits (net)	Total strike benefits		Benefits paid to strikers		Benefits paid to non-strikers	
		Amount	Percent of total benefits	Amount	Percent of total benefits	Amount	Percent of total benefits
Total through Apr. 30, 1971...	\$236,927,000	\$8,945,000	3.8	\$3,003,000	1.3	\$5,942,000	2.5
Total through 1969-70.....	199,652,000	6,627,000	3.3	1,976,000	1.0	4,651,000	2.3
1965-66.....	47,673,000	1,356,000	2.8	79,000	.2	1,278,000	2.7
1966-67.....	34,413,000	296,000	.9	211,000	.6	85,000	.0
1967-68.....	41,698,000	2,740,000	6.6	1,092,000	2.6	1,648,000	4.2
1968-69.....	40,840,000	1,466,000	3.6	469,000	1.1	997,000	2.4
1969-70.....	35,028,000	768,000	2.2	125,000	.4	643,000	1.8
July 1970-April 1971....	37,275,000	2,318,000	6.2	1,028,000	2.8	1,291,000	3.5

Note: Data for July 1970-April 1971 includes all but a small part of payments for the Dec. 10, 1970 strike, but do not include payments for the REA Express strike in April 1971 or the signalmen's strike in May 1971.

CHRONOLOGY OF EVENTS IN THE DISPUTE BETWEEN THE NATIONAL RAILWAY
LABOR CONFERENCE (NRLC) AND BROTHERHOOD OF RAILROAD SIGNALMEN
(BRS)

CHRONOLOGY

October 1, 1969—The BRS served Section 6 notice on substantially all of the Nation's railroads requesting wage increases and improvements in a number of pay-related matters to become effective January 1, 1970.

October 7, 1969 and November 3, 1969—Railroads served counter Section 6 notices on the BRS proposing various changes in existing contractual arrangements.

April 7-9, 1970—The NRLC and the BRS engaged in direct negotiations.

April 9, 1970—The BRS and NRLC jointly invoked services of National Mediation Board on BRS October 1, 1969 notice and railroads' notices of October 7 and November 3, 1969. On April 13, 1970, the National Mediation Board docketed the dispute as Case No. A-8811.

May 18, 1970—The BRS served a second Section 6 notice on railroads requesting changes in Fringe benefits.

July 28, 1970—Chairman George S. Ives of the NMB met with the president of the BRS to discuss the dispute.

August 27, 1970—Application of NRLC for services of National Mediation Board with respect to the union's fringe benefit notice docketed as Case No. 8811, Sub 1.

November 23, 1970—The National Mediation Board conducted a joint meeting with the parties to discuss handling of the two union notices. They were subsequently handled concurrently.

December 16, 1970—NMB Chairman Ives and Member Stowe held a joint negotiating session with the parties.

December 17, 1970—NMB Chairman Ives held a joint meeting during which the BRS made a comprehensive proposal for settlement which the carriers took under advisement.

January 7, 1971—NMB Chairman Ives held a joint meeting during which the carriers made a counter-proposal to the BRS proposal of December 17.

January 8, 1971—NMB Chairman Ives met with the BRS. During this meeting the union termed the carriers' counterproposal unacceptable.

January 22, 1971—The National Mediation Board proffered arbitration. The NRLC accepted the proffer; the BRS declined.

January 28, 1971—The National Mediation Board formally terminated its mediatory efforts, leaving the parties free to engage in strike or lockout action on February 28, 1971.

February, 1971—The BRS announced its intention to strike all railroads at 6 a.m., March 5, 1971.

March 4, 1971—The President created Emergency Board No. 179 (composed of Paul N. Guthrie, Thomas G. S. Christensen, and Jean T. McKelvey), thereby preventing strike or lockout action until 30 days after submission of the Board's report.

March 15-26, 1971—Emergency Board No. 179 convened in Washington, D.C., and held six days of public hearings.

March 27, 1971—Emergency Board No. 179 met with the parties to explore the possibility of a mediated settlement. This effort was unsuccessful.

April 14, 1971—Emergency Board No. 179 issued its report, including recommendations for settlement of the issues in dispute, to the President, leaving the parties free to engage in strike or lockout action on May 15, 1971. The NRLC indicated general acceptance of the Board's recommendations; the BRS termed them unacceptable.

April 27, 1971—May 11, 1971—Negotiations resumed under the auspices of the National Mediation Board in Washington, D.C. NMB Chairman Ives and Member Stowe met with the parties on April 27, 29, May 3, 4, 5, 6, 7, 8, 10, and 11.

May 12, 1971—Assistant Secretary of Labor W. J. Usery, Jr. had a luncheon meeting with the president of the BRS. Assistant Secretary Usery and NMB Chairman Ives held joint negotiations at the U.S. Department of Labor from 2 p.m. until 2 a.m.

May 12, 1971—Assistant Secretary Usery met with the president of the BRS and the union's chief counsel at the Manger Hamilton and held phone conversations with the NRLC.

May 14, 1971—Meetings were held at the National Mediation Board with the president and chief counsel of the BRS. A number of discussions were held via phone between the parties and the chief government mediators.

May 15, 1971—NMB Chairman Ives met with the BRS in the morning to discuss possible changes in the union position.

NMB Chairman Ives held a luncheon meeting with the chief negotiator for the NRLC.

Assistant Secretary Usery and NMB Chairman Ives met with the NRLC and discussed possible changes in the carriers' position.

May 15, 1971—Assistant Secretary Usery and NMB Chairman Ives met with the union negotiating committee in the evening at the Manger Hamilton and then talked via phone to the carriers' chief negotiator.

May 16, 1971—Assistant Secretary Usery and NMB Chairman Ives conducted joint and separate meetings with the parties at the U.S. Department of Labor from 10 a.m. until past midnight.

During the late stages of the talks, Secretary of Labor James D. Hodgson made a number of informal proposals which would have delayed strike action by the BRS. When these proposals were rejected, the Secretary formally requested a delay of the BRS strike and pledged the assistance of the Department of Labor to the fullest extent necessary to reach a satisfactory accord. The BRS would not agree to the Secretary's request.

May 17, 1971—The BRS struck all the Nation's railroads at 6:01 a.m.

The President sent a message to the Congress urging passage of a resolution extending the existing labor agreement until July 1, 1971, to allow time for further negotiations. At the same time, the President by executive order provided for the use of transportation priorities and allocations during the strike.

The Senate Labor and Public Welfare Committee met and heard testimony from Secretary of Labor Hodgson, Secretary of Transportation Volpe, BRS President Chamberlain and chief carrier negotiator J. P. Hiltz, Jr.

May 18, 1971—The House Committee on Interstate and Foreign Commerce met and heard testimony from Secretary of Labor Hodgson, BRS President Chamberlain and chief carrier negotiator Hiltz.

The Congress passed and the President signed S. J. Res. 100 (Public Law 92-17) extending Section 10 of the Railway Labor Act until 12:01 a.m., October 1, 1971, providing the wage increases recommended by Emergency Board No. 179 effective on January 1, 1970, and November 1, 1970, requiring the Secretaries of Labor, Transportation, and Defense to report on the strike's impact by July 31, 1971, and requiring the Secretary of Labor to report on progress and make recommendations for settlement if the dispute remains unresolved 10 days before the period of extension expires.

May 19, 1971—Assistant Secretary of Labor W. J. Usery, Jr., held discussions with each party concerning the resumption of negotiations. It was agreed that negotiations would resume on June 7, 1971.

The CHAIRMAN. The time of the gentleman has expired.

Mr. Stuckey.

Mr. STUCKEY. Mr. Secretary, have you ever proposed compulsory arbitration for settlement of the railroad dispute by an appointed board?

Secretary HODGSON. No; we have not proposed that now or any other time.

Mr. STUCKEY. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Thompson.

Mr. THOMPSON. Thank you, Mr. Chairman.

I yield to the ranking minority member.

Mr. SPRINGER. Mr. Secretary, first of all, I would like to ask you, did you make a proposal to the Senate yesterday or recently on a suggested settlement?

Secretary HODGSON. No; other than the one we have proposed here.

Mr. SPRINGER. Is it in essence the increase of April 1 and retroactive—

Secretary HODGSON. The proposal we have made here involves no increase at all.

Mr. SPRINGER. No increase at all?

Secretary HODGSON. That is right.

Mr. SPRINGER. The Senate has brought out a bill which in essence would pay up to April 1 retroactively and would then postpone further negotiations until October 1, 1971.

Secretary HODGSON. You will recall, Congressman, that was the proposal we made to the parties, themselves, on a voluntary basis the last night of negotiations and it was rejected by both parties.

Mr. SPRINGER. Thank you.

I thank the gentleman.

Mr. THOMPSON. Mr. Secretary, I recognize the fact that the other unions are honoring the picket line but have you had any expression from any of the unions who have accepted the 42-42 proposition, that the signalmen are entitled to a greater wage settlement than they, themselves have accepted?

Secretary HODGSON. No; they have not expressed themselves one way or another on it.

Mr. THOMPSON. In your opinion, have the other unions achieved work rule changes which were beneficial to them that have not been achieved by the signalmen?

Secretary HODGSON. There are no work rule changes involved in the signalmen's case.

Mr. THOMPSON. But the other unions have achieved some work rules changes which could be related to a monetary figure?

Secretary HODGSON. Some had work rules involved and some did not.

Mr. THOMPSON. If the signalmen were not involved in work rules changes, do you feel it equitable to grant a 42-percent increase, to, say, engineers or others who have had a wage increase plus work rules changes and then not allow the signalmen to have a slightly higher monetary settlement if there were no work rules changes?

Secretary HODGSON. Congressman, as mediators of this dispute, we try not to sit in judgment as to the terms of the settlement. We must point to the fact that a presidentially appointed Board has recommended the 42-percent settlement in this case. We must give considerable credence and dignity to the recommendations of that Board.

Mr. THOMPSON. I certainly recognize that.

What I am trying to get at is, are the working conditions of the signalmen as well as related to the other crafts equal or have the other crafts achieved a superior working condition because of work rules changes which would mean in effect that the other crafts have actually achieved a higher pay than the 42 percent?

Secretary HODGSON. No; quite the contrary. The work rules changes were something that the other unions approach with some reticence because they usually meant giving up work rules that had been previously negotiated. So, the situation there was to try to work out work rules that would be beneficial to the efficient operation of the railroad system.

Mr. THOMPSON. So then, in effect, we are down strictly to the question of wages and not work rules in this particular item, the signalmen are stating, in effect, that their skill has not had the proper increases in the past; they are entitled to a higher increase than the other brotherhoods received and therefore since they are not getting it they have called a strike; is that correct?

Secretary HODGSON. That is generally correct.

Mr. THOMPSON. You have no knowledge as to how the other brotherhoods feel in support or not in support of this position except that they are honoring the picket line?

Secretary HODGSON. No; we have not.

Mr. THOMPSON. Do you think that we could get an expression from the other brotherhoods on this subject?

Secretary HODGSON. I will leave that to your judgment, as to whether you could or could not. I think they are concerned about the wages, hours, and working conditions of their own members. When they negotiate an agreement, why, that is it.

Mr. THOMPSON. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Eckhardt.

Mr. ECKHARDT. Mr. Secretary, you have indicated that you feel that there are good prospects of a settlement in case the provisions of section 10 are extended through July 1 and I think you also provided an answer to a question that, of course, a longer date would also give good prospects, perhaps even better prospects, of a settlement.

Do I correctly state your answer?

Secretary HODGSON. Except I didn't say that I thought the prospects would be better. I don't think time, of itself, always results in settlement. The current situation does require more time. Considering the dynamics of this situation, we recommended July 1.

Mr. ECKHARDT. I understand that.

Of course, if there were no extension of time, there would at least be a tendency toward a settlement closer to the 54 percent and farther from the 42 percent. Is that not correct? If we extend the time not at all, there would still be the pressure to strike. I would assume that that is the pressure that causes a settlement in favor of the union.

Secretary HODGSON. Well, this is an assumption you are making. I guess only the parties, themselves, can determine that.

Mr. ECKHARDT. Let me ask Mr. Usery that. He is an experienced negotiator.

Does not the effect of an immediate strike have a tendency to settlement in the higher ranges of the demands of the union?

Mr. USERY. That would depend on the strength of the union and how much more they would ask the company or carrier to grant, whether the carrier could resist or hold out for a definite period of time. Not always do the unions achieve more. Many times they do.

Mr. ECKHARDT. Let us take an extreme case.

Suppose we extended section 10 until say, January 1, 1972. Obviously, there would be lesser pressure, would there not, for settlement and therefore a diminution of the bargaining power on the part of the union to get its objectives accomplished?

Secretary HODGSON. The whole purpose, of course, of collective bargaining—

Mr. ECKHARDT. Is that an unfair question?

Secretary HODGSON. I don't understand too clearly what you are getting at here other than the fact that the purpose of collective bargaining is to let each of the parties use economic power as they will. But each party always has an end point beyond which they do not go.

Mr. ECKHARDT. That is right, but if you remove the power of strike you remove the power of the labor party, do you not?

Secretary HODGSON. Yes; you certainly do.

Mr. ECKHARDT. If you defer it, you lessen the power of the union party, do you not? That seems so simple.

Secretary HODGSON. Sure, it does, but what we are faced with here is the circumstance that power has been used in such a way that it has resulted in a nationwide work stoppage and somebody has to do something about it.

Mr. ECKHARDT. Mr. Secretary, what would you think about adopting at least after the July 1 date a provision in which a strike against less than all of the carriers would be recognized, if available to these parties by law, with provisions similar to the provisions contained in H.R. 3595 by the chairman of this committee and several other members?

Secretary HODGSON. I think the subject of the selective strike is now before the courts. Because of that, I don't want to take any position on that subject until the court resolves it.

Mr. ECKHARDT. Of course, presently the courts have resolved it in favor of selective strikes and the highest court, which is the Court of Appeals, has so decided. It is the only Court of Appeals that has so decided.

Why would it not be desirable, though, with respect to this particular dispute to simply provide that after the waiting period the union could engage in a selective strike within certain limitations? After all, the decision of this court won't determine the question of whether there could be a lockout on the part of the railroad carriers in response to a selective strike, that is, a lockout in other railroads besides that one struck.

So, we do have matters that are not before the court that could be resolved with respect to a technique that could be used experimentally at the termination of this waiting period.

If I may state what I am getting at, it seems to me that we always remove the union's bargaining power but place no threat against management to call upon it to make a settlement. It seems to me that is what we are doing here.

I am simply suggesting that there also be some incentives in this legislation toward settlement.

Secretary HODGSON. It is entirely possible that when we come before this committee if the dispute is not settled in late June that we would consider some sort of arrangement like that.

Mr. ECKHARDT. Why not do it in this legislation so that there is pressure on management as well as on the union to settle during the period between now and June 1?

Secretary HODGSON. I think I have explained that we have tried to keep our proposals as simple as possible to get as early action as possible because early action is the most important thing in this circumstance.

Mr. ECKHARDT. It seems to me that your early action simply removes the pressure on the union toward settlement until July 1. That is the thing I object to with respect to it.

Secretary HODGSON. We have managed to achieve settlements in similar circumstances previously. I think that this recommendation is still a good one based on experience and based on the need for early action. That is the reason we are sticking with the recommendation.

Mr. ECKHARDT. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Hastings.

Mr. HASTINGS. Mr. Chairman, I have no questions.

I would like to make a brief statement. I think at this place at this time the proper role of this committee is not to be a mediator in the dispute but, rather, to act under this resolution or, as Mr. Springer, suggested, the one that came from the Senate, and I would hope that we move as expeditiously as possible toward that goal.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Tiernan.

Mr. TIERNAN. Mr. Secretary, Mr. Springer has stated that the Senate has reported out a bill extending the period from July to October. My understanding is that it would also provide for some increase in wages to the signalmen retroactive to October 1, 1969. Is that your understanding?

Secretary HODGSON. Is that what you and Mr. Springer are conveying, that they have reported out such a bill?

Mr. TIERNAN. I understood him to indicate to you that that was the bill which was reported out of the Senate and asked whether or not you had made any recommendation yesterday to the Senate.

Secretary HODGSON. No; that was not our recommendation.

Our recommendation was the same as the one here.

Mr. TIERNAN. I am sure you have been briefed by the staff or have read in the paper that the Senate was considering reporting out a bill—

Secretary HODGSON. They advised us at that time during the hearing that they were going to consider that question.

Mr. TIERNAN. What kind of pay provision was that, 4 percent?

Secretary HODGSON. My understanding was that they were considering the kinds of recommendations that were made by the Board, itself, for the respective periods made by the Board.

Mr. TIERNAN. Up to April of this year, retroactive to October.

Secretary HODGSON. That is right.

Mr. TIERNAN. In your statement you indicate, at the bottom of page 3, going over to page 4:

I recommended that the parties agree to a voluntary extension of the negotiations without the use of strike-lockout action but without results.

Now, you implied that what you asked for and what you tried to get the parties to agree to was what the Senate has reported out. Is that correct?

Secretary HODGSON. I did not imply. I said it. That is what it was.

Mr. TIERNAN. What you asked the parties to agree to was the retroactive recommendation of the Presidential Board and that the period be extended to October 1.

Secretary HODGSON. Exactly.

Mr. TIERNAN. To October 1.

Secretary HODGSON. That is right.

Mr. TIERNAN. Today you are here before us with a bill which extends the period merely to July 1.

Secretary HODGSON. That is right.

Mr. TIERNAN. Why the change?

Secretary HODGSON. Because they had rejected the previous kind of proposal.

Mr. TIERNAN. So you think they objected to the October 1 period but they will accept the July 1 period?

Secretary HODGSON. The July 1 period will be, we thought, the minimum amount of time that we could hope to reasonably maximize the chances of achieving a settlement and also be as short a period of time as we could come forward with, with regard to the delay of the proposed wage increases for these people.

Mr. TIERNAN. Mr. Secretary, if Congress does not take any action at all is there any other action that the President could take?

Secretary HODGSON. No.

Mr. TIERNAN. You mean that even in view of the statement you have made, that this is a serious situation in that all the railroads have been closed, that the President would not be able to take any action?

Secretary HODGSON. That is exactly what I mean.

Mr. ADAMS. Would the gentleman yield?

Mr. TIERNAN. Yes.

Mr. ADAMS. Is it the position of the administration they could not seize the railroads and put troops on them?

Secretary HODGSON. We would have to have congressional authorization to do it. The question to me was if Congress does not take any action.

Mr. TIERNAN. Mr. Secretary, in the past the railroad unions have offered to move essential goods.

Has any such agreement been made or suggestion made by you to the signalmen to allow the passage or use of the trains for movement of essential goods?

Secretary HODGSON. No.

Mr. TIERNAN. Have you asked the signalmen whether or not they would agree to that?

Secretary HODGSON. No; we have not.

Mr. TIERNAN. You have made no effort to get that type of agreement?

Secretary HODGSON. That is right.

Mr. TIERNAN. Mr. Usery, did you make any effort?

Secretary HODGSON. Mr. Usery comments that the signalmen's is a nonoperating organization. They are not involved in the movement.

Mr. TIERNAN. The point is that the operating unions are respecting the pickets of the signalmen. There have been no avenues in this area attempted?

Secretary HODGSON. That is right.

Mr. TIERNAN. Thank you.

The CHAIRMAN. Mr. Collins.

Mr. COLLINS. Mr. Secretary, my colleague suggested that possibly the Department could take a position to put pressure on management.

Does the Department take the position on either side in behalf of either labor or management at the present time?

Secretary HODGSON. We hope not.

Mr. COLLINS. The recommendation now that the administration would make on this situation, does it in any way make any recommendation that we take any kind of temporary action on wages for any kind of benefits?

Secretary HODGSON. None whatsoever.

Mr. COLLINS. In other words, your position is that it should be left entirely in the hands of both parties to continue the negotiations on a free basis?

Secretary HODGSON. We would like Congress to send the parties back to the bargaining table.

Mr. COLLINS. And leave the decision completely to them?

Secretary HODGSON. That is right.

Mr. COLLINS. Now, on the subject of inflation, if productivity is going up 3 percent and the average settlement is 12 percent, that looks to me to be inflation. Is there any other way it could be interpreted?

Secretary HODGSON. The Secretary of Labor never comments on the inflationary content of an increase because that is a subject of endless argument between classical economists, theorists, practitioners, and others, and I don't want to get into the act.

Mr. COLLINS. Another way to look at it is that the cost of living is going up 4 percent. Yet the wage increase is going up 12 percent. The other unions now agreed that 12 percent was a fair rate. It seems, based on the cost of living going up 4 percent, that they are going to come out with a 42 percent package.

Do we have the benefit of any reason why this one union, the signalmen, needs 54 percent when the others all took 42 percent?

Secretary HODGSON. I presume Mr. Chamberlain will try to convey those reasons.

Mr. COLLINS. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Helstoski.

Mr. HELSTOSKI. Mr. Secretary, you stated Congress will deal with this type of crisis until existing legislation is altered.

Has your Department ever made any recommendations to alter existing legislation?

Secretary HODGSON. The administration came up with a recommendation for an Emergency Public Interest Protection Act covering the entire transportation industry in early 1970. That legislation was reintroduced in February of this year. Yes; indeed, we have.

Mr. HELSTOSKI. Do you feel although 20 months have been insufficient for a negotiated settlement, an additional 45 days might produce results?

Secretary HODGSON. That is the reason we have provided Congress with a recommendation of this kind.

Mr. HELSTOSKI. Assuming we are in the same position 45 days hence, will you recommend binding arbitration?

Secretary HODGSON. I will determine what I will recommend based on conditions existing at the time. I have offered to come before the Congress 10 days before July 1 with that recommendation. What it will be, I don't want to prejudge.

Mr. HELSTOSKI. You implied success of settlement is possible with the additional time, since the time involved would result in pressure on the union in going without a wage increase.

Do you think this should be an essential ingredient for arbitration purposes?

Secretary HODGSON. For arbitration purposes?

Mr. HELSTOSKI. Yes. In effect, what you are stating, if I am correct, is that the pressure is on the union to force settlement through some congressional act of this nature because additional time would provide a time period where they would go without wage increases.

Secretary HODGSON. The parties would have to judge whether it is wiser to settle this or let it go to Congress.

Mr. HELSTOSKI. You will be coming before us ad infinitum.

Secretary HODGSON. Yes. That is correct. There will probably be more cases like this until we get some new legislation.

Mr. HELSTOSKI. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Frey.

Mr. FREY. Let me ask the reverse of the question that my colleague from Texas asked.

The question in my mind is, why did the Board, itself recommend the 42 percent? Why didn't they recommend the 54 percent?

Secretary HODGSON. Well, they have a fat report of some several hundred pages. I suppose one of the principal reasons was that they have observed the pattern that has been developing in this industry and in order to continue the kind of equitable relationships with other affected workmen in the industry that they made this proposal. That is what it boils down to.

Mr. FREY. In essence, what you are saying is that the 42-percent settlement accepted by the brotherhood should be the standard.

Secretary HODGSON. That is what the Presidential Board recommended on that basis.

Mr. FREY. In doing that, I assume they recommended there should be no basic difference in the working conditions or anything else.

Secretary HODGSON. They made some observations and comparisons. In fact, one of the things they did was to express the position that there ought to be a restoration of comparable relationship between the signalmen and the electricians in the industry. That is the basis for their proposal.

Mr. FREY. One other thing. When you spoke about dates of either October or July, it seems to me that most settlements come about in the last day or two.

If you pick July 1, pressure will build up and we will get something done by June 29. If you pick October 1, it will come toward the end of September.

Is that a fairly accurate summary of what has happened?

Secretary HODGSON. Collective bargaining usually is a series of countdowns to deadlines. These deadlines come about in different ways. The most critical deadline is usually the deadline before the opportunity for a work stoppage. So, whatever that date is, the critical time period will be the time period immediately before the opportunity for a work stoppage, whether it is July 1 or October 1.

But we have indicated that time, itself, enables reconsideration of positions by parties and the opportunity for resolution of issues.

Mr. FREY. Thank you, Mr. Chairman.

Thank you, Mr. Secretary.

The CHAIRMAN. Mr. Carney?

Mr. CARNEY. Mr. Secretary, the Brotherhood of Railroad Signalmen indicated here that the last raise they received was a 3-percent raise on July 1, 1969. Now last December we had a strike crisis which came before Congress. At that time we granted an extension of the act and at the same time granted certain retroactivity as part of the settlement with certain retroactive increases on at least a partial basis. Did not the signalmen get retroactive increases at that time?

Secretary HODGSON. The signalmen's case was not involved in that circumstance.

Mr. CARNEY. Do you think it is wise for this committee, if we are going to extend this act to do what we did before, to grant certain retroactive increases to the signalmen in lieu of their giving up the right to strike at this time?

Secretary HODGSON. One of the considerations that we had in mind in connection with our proposing that they voluntarily accept an extension on the basis of retroactive increases was that kind of circumstance. But it was rejected by them. So we came forward with a straightforward shorter time recommendation.

Mr. CARNEY. The point is, if this committee in its wisdom should decide that we will grant an extension as requested by your Department, would you care to comment on the wisdom of granting a certain amount of retroactive wage increases, the amount to be decided?

Secretary HODGSON. Well, we have made a recommendation that we think should be acted upon expeditiously. It would send the parties

back to bargaining and maximize the bargaining incentive for settlement. It is entirely up to Congress whether it wants to adopt that, of course. It is our recommendation. The Congress has revised our recommendation in other circumstances. They may do that again, but we will leave that strictly up to them.

Mr. CARNEY. The point I am making is that there are millions of dollars involved in the entire industry in a retroactive settlement. The interest on that money which the employers keep is a lot of money. It is an incentive to them. If I were an employer, I would not be in a hurry to settle with the present day interest rates on millions of dollars.

Secretary HODGSON. I think the committee should consider all the facts. You might want to query both parties about the respective effects of that feature.

Mr. CARNEY. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. McCollister?

Mr. MCCOLLISTER. In the interest of that expeditious handling to which the Secretary referred, I have no questions, Mr. Chairman.

The CHAIRMAN. Mr. Metcalfe?

Mr. METCALFE. Thank you, Mr. Chairman.

Mr. Secretary, I gather from what you have said that you are completely impartial, favoring neither labor nor management. I notice quite frequently in answer to some of the questions proposed to you that you recommended that they go back to the bargaining table. I think that there is perhaps another force other than management and labor, and that is the public, which I am concerned about. Are there any figures available as to what it costs for any strike of any union within the railroad system? Is it not true that perishable items are lost and lost for every day that there is a strike? And then is it not also true that every strike adds to unemployment for the moment as long as the strike exists?

Now there are other considerations that are being taken into effect as you deliberate?

Secretary HODGSON. Yesterday in the Senate committee hearings, Secretary Volpe provided the Senate committee with a quite extensive examination of those costs that you have just referred to. We will be glad to get them and provide them to this committee. They are extensive.

Mr. METCALFE. One final question. That was exactly the question I wanted to ask. That is whether or not these figures are available to both labor and management as they sit at the bargaining table?

Secretary HODGSON. These figures have been available and introduced into congressional hearings ever since the first case of this kind came before Congress in 1960. I am sure the parties are well familiar with them.

Mr. METCALFE. Thank you very much, Mr. Secretary.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Mr. Shoup?

Mr. SHOUP. Thank you, Mr. Chairman.

Mr. Secretary, assuming that both bodies of Congress can act expeditiously in the emergency which you say is upon you here, and we do

this today, how long before the railroads will be able to react in turn to alleviate the problem we have?

Secretary HODGSON. Mr. Usery has asked the leadership of both parties to stay in town and be subject to call for further bargaining immediately upon getting this thing back in the hands of the bargainers.

Mr. SHOUP. You missed the point of my question, Mr. Secretary. When will the trains be running again if today both Houses of Congress act?

Secretary HODGSON. It is a hard question for a labor relations man to decide what the trains can do; but let us take a look at what happened last time. The last time Congress acted to settle a strike of this nature, within the first full shift that started after that time many of the trains were running and almost all of them were running by the second shift.

Mr. SHOUP. You have no indication from labor or management on their reaction to this?

Secretary HODGSON. To that question? Only experience.

Mr. SHOUP. Thank you. I have no further questions.

The CHAIRMAN. Mr. Jarman?

Mr. JARMAN. Mr. Chairman, I have no questions.

I would like to indicate reluctant support for another resolution on another emergency situation that has been brought to the Congress. I would also for the record make very clear my own strong support for legislation that sets up the machinery for solving these disputes without the necessity of bringing them to the Congress.

I yield to Mr. Macdonald.

Mr. MACDONALD. I have just one question, Mr. Secretary. Most members with due regard to the public interest have been talking about the terrible effect a nationwide strike would have. I don't think anyone would quarrel with that. Certainly I don't, and I am sure you don't. My question is, Why should we go through this—as I said earlier—charade again where we extend the time? They can go right down to the deadline. So what difference does it make if it is extended to July or October? You are an old or middle-aged labor-relations man. So can't we discuss that, if the Congress does go along and does, as the administration indicated they wanted, postpone it, what do you have in mind as the reason that this will prevent a strike eventually?

Is it not just borrowing trouble? Isn't it time we say to both sides, "Look, we have had all the time in the world and our patience has run thin; now, shape up or ship out," or whatever words you want to use? I don't see what possible advantage it is to anybody just to continue, every time they come to a deadline we exercise our so-called judgment, our wisdom, and give a postponement. Both sides know that. One side benefits more from postponement, in my judgment anyway, than the other.

So, could you tell me why you think that a postponement at this point will prevent a strike?

Secretary HODGSON. You may be right. It may not prevent a strike. But you probably could have had the same reason for feeling the same way on December 10, when Congress acted.

Mr. MACDONALD. I did.

Secretary HODGSON. But we achieved settlement.

Mr. MACDONALD. What is the situation today? Are the trains running as you said they would in December? Is everything fine?

Secretary HODGSON. We did not deal with this dispute in December.

Mr. MACDONALD. Of course, you didn't, because it was not up yet. After this one, there will be further disputes.

Secretary HODGSON. The only way to deal effectively with the question you raise is to have some sort of permanent legislation. You are right.

Mr. MACDONALD. Permanent legislation is in the future and I am sure everyone can be assured of that fact. It is in the future. What good is this postponement going to do for this particular strike?

Secretary HODGSON. If Congress wants to consider a full and complete settlement of this dispute, that is up to them. We felt that the time required to do that would be more time than the American public would want their railroads shut down.

Mr. MACDONALD. I was hoping that you would have some inside information that the Congress is not privy to assure us that if they get the extension you are reasonably satisfied that a settlement will be reached.

Secretary HODGSON. No, sir. We have no inside information.

Mr. MACDONALD. Even Mr. Usery, who has been doing the negotiating?

Secretary HODGSON. We—used collectively for the representatives of the U.S. Government, Mr. Usery, Mr. Nash, and myself—don't have any inside information on what the respective parties will settle for or any such thing. We just know from experience that time and attention does resolve a great many of these things. Experience has proven it.

Mr. MACDONALD. I am sorry you don't know more about it than we do.

Secretary HODGSON. I am too.

Mr. MACDONALD. I yield to the gentleman from California.

Mr. PICKLE. A parliamentary query, Mr. Chairman. Is it the intention of the Chair to hold hearings this afternoon, assuming we have permission, and at what time?

The CHAIRMAN. I have privately said—and I will say it publicly—that I intend to go as long as we can now, take a short break before 2 o'clock so that people can get out and come back. But if we are going to finish this and do anything about it, we have to keep going as much as we can.

Mr. Moss. I want to check with counsel rather carefully. My own recollection could have been faulty. I have been on this committee and dealt with each of the previous disputes. This format of just a simple postponement has never produced a settlement. As a matter of fact, in the Railway Labor Act itself there is a provision for postponing strikes, including the 30-day period after the appointment of an emergency board. In each of the previous instances settlement has only been brought about because Congress either mandated a settlement or put into effect interim measures that went beyond what is proposed here.

Now you stated that your recommendation is based on experience. I think if it is valid experience it is directly in point on this kind of

dispute involving these parties and similar circumstances to the dispute now before this committee. Do you have any instance in mind where under those conditions this kind of action has produced a settlement?

Secretary HODGSON. It all depends on what you mean by "those conditions." The amount of time that was provided in December did allow for settlement.

Mr. Moss. It imposed an interim settlement, didn't it?

Secretary HODGSON. It granted some retroactive wage increases for that period, but it did not impose an overall settlement.

Mr. Moss. It somewhat changed the position of the two parties, did it not, from what it would have been had they gone through with the strike?

Secretary HODGSON. I agree.

Mr. Moss. Thank You.

The CHAIRMAN. Mr. Symington?

Mr. SYMINGTON. I have no questions.

The CHAIRMAN. That completes our questioning of the Secretary. We want to thank you and your associates for coming and being here with us and answering our questions.

Secretary HODGSON. Thank you.

The CHAIRMAN. It seems one of those things we have to do. I think that most of the committee probably has made up its mind now what they are going to do. Nevertheless, we have to get all of the facts that we can get pertaining to the situation.

At this time we will have Mr. Hiltz come to the witness stand.

Mr. SHOUP. Mr. Chairman, a moment ago I heard you speaking to someone relative to our time.

The CHAIRMAN. I would say we will go until 12:30 and than break until 2 o'clock, if that is all right with the committee.

Mr. Hiltz, if you will identify yourself for the record and the gentlemen who are with you, you may proceed, sir.

STATEMENT OF J. P. HILTZ, JR., CHAIRMAN, NATIONAL RAILWAY LABOR CONFERENCE; ACCOMPANIED BY J. A. WILCOX, GENERAL COUNSEL; AND H. E. GREER, RESEARCH DIRECTOR

Mr. HILTZ. Mr. Chairman, members of the committee.

My name is John P. Hiltz, Jr. I am chairman of the National Railway Labor Conference. On my left is J. A. Wilcox, general counsel of the National Railway Labor Conference, and on my right, Mr. H. E. Greer, research director of the National Railway Labor Conference.

Mr. Chairman, I have a statement which I am not going to read.

The CHAIRMAN. It will be carried in the record in full.

Mr. HILTZ. I would like to point out that that statement contains the background of the dispute. It contains the context in which we feel the dispute should be considered. It contains brief remarks about the recommendations of the Emergency Board and as we understand the parties position with regard to those recommendations.

I would like to refer to the members of the Emergency Board. Secretary Hodgson characterized them as being experienced, knowledgeable neutrals in the railroad field. I would suggest that their re-

port serve as a basis of consideration of this committee so far as the merits of the dispute are concerned.

I have just one or two comments with regard to that report. On page 15 of my statement is one comment to which I would like to address myself. As Secretary Hodgson stated, there are two main issues in this dispute. One is the economic package, and the other is the camp-car situation or living conditions of the signalmen.

With regard to the economic package, the signalmen have based their request for a higher increase than 260,000 other railroad employees have received on the basis of their skills. On page 15 of my statement I quote from the findings of the Emergency Board and I will read that quote which says:

... We have examined the evidence presented by the Brotherhood as to the skills of its members, but we are not persuaded upon the record before us that these skills are measurably superior to those possessed by shopcraft mechanics.

The Board then went on to base its wage recommendations on the wages of the shopcraft mechanics as they were granted in 1969 and 1970.

I would also like to comment on this camp-car matter or the living conditions of the signalmen. The Board, as a corrective measure for that proposal or demand from the signalmen, recommended that a committee be set up which would include a neutral, to examine these conditions.

In our proposal to the signalmen we went even further than the Board recommended. We said that we would set up as many committees as are necessary to expeditiously deal with this matter and that we would grant this neutral binding authority to make recommendations in connection with the committee's investigation.

I would also like to call the committee's attention to one other

I would also like to call the committee's attention to one other aspect of the Emergency Board report. It contains absolutely nothing for the carriers. This is contrary to other disputes which have been before this committee and, as a matter of fact, contrary to other settlements which we have made in this current round of wage settlements. There is absolutely nothing recommended in here to offset these horrendous wage increases or to grant the carriers any increased efficiency or productivity of operations.

One other comment that I would like to make—and I certainly dislike contradicting the Secretary of Labor—but with regard to his statement on unemployment compensation for these men who strike and also for everybody who refused to cross a picket line, unemployment compensation is due to each of these individuals in the amount of \$12.70 per day, tax free, from the day the strike starts—yesterday—and continuing for a period which could be as long as 2 years.

Insofar as the availability of these benefits to these people, if the fund to which the railroads contribute becomes depleted, the contributions will be increased so as to provide the necessary compensation to these people for the period which the law says they are entitled to.

Mr. BROWN. May I ask a question on that point, Mr. Chairman?

Mr. Moss (presiding). Mr. Brown.

Mr. BROWN. I assume that the railroads have contributed in the past and the fund now has escrowed a certain amount of money. Is that correct or not?

Mr. HILTZ. That is certainly correct, Congressman.

Mr. BROWN. That means that there is a certain amount of money in the fund and somebody must be able to figure out that with all the railroad workers off the job that at the rate of \$12.70 per day per worker the fund would be exhausted by a date certain. Does anybody know what that certain date is?

Mr. HILTZ. As to cost to the fund, it will be \$7 million per day beginning yesterday.

As to the availability of fund, in the past when the fund has become depleted, borrowing is immediately made from the Railroad Retirement Fund, where there is a \$5 billion fund accrued at the present time. Then the railroads make that up by increased contributions at a later date.

There is presently about \$400 million in the Railroad Unemployment Insurance Fund.

Mr. BROWN. \$400 million plus \$5 billion in the Railroad Retirement Fund, and it is being depleted at the rate of \$7 million a day. That is seven into 5400. Is that correct?

Mr. HILTZ. The fund itself would support these people during a strike of 60 days. Of course, there is interest accruing on this all the time and there is also, of course, additional contributions being made all the time. We are presently contributing at the rate of 4 percent of their salary up to \$400 a month.

Mr. BROWN. Does the union pay any strike fund?

Mr. HILTZ. No, this is entirely a contribution of the railroad industry.

The CHAIRMAN. Has the gentleman finished his statement?

Mr. HILTZ. I would like to just read a conclusion from my statement, Mr. Chairman, which gives the railroads' position with regard to the resolution before it.

The CHAIRMAN. All right.

Mr. HILTZ. We have in a sense come a long way in this dispute. Notices were first served over 19 months ago. Negotiating sessions have dragged on interminably. The parties have had to prepare and present detailed support for their positions to a presidentially appointed emergency board. And yet, in another sense, the distance we have traveled can hardly justify the time that has elapsed. It can perhaps best be measured by comparing the union's original wage demand for 68.5-percent increase with the 55-percent increase demanded in the union's latest offer. Although there have been numerous bargaining sessions between the parties and repeated attempts by appropriate Government officials to narrow our differences, the fruitlessness of these sessions to date is clearly measured in this lack of movement on the part of the union. Neither figure, I might add, includes the effect of the cost of living adjustments included in both proposals.

With that as background, the question before us now is, What, if anything, should the Congress do to end this dispute? The administration has recommended that the status quo provisions of the Railway Labor Act be extended to July 1, 1971, with a report to be provided the Congress ten days prior to the expiration of this extension period. The railroad industry does not believe that a mere extension of time

will resolve this dispute. Negotiations have already been intensive and of long duration. Yet the Brotherhood of Railroad Signalmen has not significantly receded from its original demands. It is my view that further delay will mean another return to the Congress only a few months hence with the identical national railroad crisis unless something is done during the interim to provide for a permanent solution to these ad hoc considerations of labor disputes by the Congress.

The railroad industry recognizes that the only satisfactory resolution of this dispute lies not in congressional intervention but in a voluntary settlement between the parties. However, as much as we would prefer that solution we have been unable to attain it. These repeated trips to Congress over the past several years have been as distasteful to us as, I am sure, they are to you. Thus, if the Congress is to accept the administration's recommendation, we strongly urge that this time be constructively used to review proposals to permanently amend the Railway Labor Act to effect this solution. This industry has recommended permanent legislation to provide for ways to resolve these disputes without requiring ad hoc intervention of Congress. For the past 2 years, the administration has submitted comprehensive legislative recommendations to the Congress for this very purpose. Several distinguished Senators and Congressmen have also introduced thoughtful legislative proposals on this same subject. We earnestly ask, therefore, that if the Congress is to pass the administration's proposal they also consider during this interim an appropriate and permanent solution to a vexatious and growing problem.

That concludes my statement, Mr. Chairman.

(Mr. Hiltz' prepared statement follows:)

STATEMENT OF J. P. HILTZ, JR., CHAIRMAN, NATIONAL RAILWAY
LABOR CONFERENCE

My name is J. P. Hiltz, Jr. My home address is 1306 Bishop Lane, Alexandria, Virginia, and my business address is 1225 Connecticut Avenue, N.W., Washington, D.C. I am Chairman of the National Railway Labor Conference, a position I assumed on August 1, 1967. Immediately prior to that, I was President and Chief Executive Officer of the Delaware & Hudson Company, and from 1962 to 1967 I was President and General Manager of that railroad. After receiving my Bachelor of Science degree from the Carnegie Institute of Technology in 1934, I began my railroad career with the Pennsylvania Railroad as an assistant in its engineering corps. In 1945 I joined the Delaware, Lakawanna & Western Railroad, and in 1953 the New York Central Railroad as chief engineer for maintenance of way. In 1955 I became general manager of the Delaware & Hudson, then vice president of operations and maintenance, and then, as I said, President.

The National Railway Labor Conference was formed on January 1, 1963. It represents—along with the regional Carriers' Conference Committees—the railroad industry in national labor matters. I might add that, prior to the formation of the Conference, substantially similar functions were performed for the carriers by the Eastern, Southeastern and Western Carriers' Conference Committees.

When national negotiations are to be conducted, the individual railroads give their powers of attorney to their respective regional Carriers' Conference Committees. These Committees work together as a joint committee of the carriers of which I am spokesman.

INTRODUCTORY COMMENTS

The nation's railroads are confronted today with a nationwide work stoppage by the Brotherhood of Railroad Signalmen, a union that represents approximately 10,000 railroad employees. The existence of this condition graphically illustrates both the current imbalance of power between railroad management

and labor and the consequent unreasonable demands that railroad labor unions, even the smallest, can impose upon the railroads. In my statement I shall attempt to inform you of the events that have created this condition.

BACKGROUND OF DISPUTE

Attached to this statement is a detailed chronology of the events leading up to the present dispute. I shall summarize them briefly.

The present dispute between the nation's railroads and the Brotherhood of Railroad Signalmen began on October 1, 1969 when the union served Section 6 notices demanding substantial general wage increases as well as a number of other wage related demands. These latter demands would also be extremely expensive to the carriers. The carriers responded with their own notices for proposed changes in work rules.

After conferences on the individual carriers had failed to produce an agreement, both parties authorized national handling of the dispute. When these initial conferences at a national level did not bring about a settlement, the parties on April 9, 1970 jointly invoked the services of the National Mediation Board.

Shortly thereafter, on May 18, 1970, the union served another Section 6 notice on the carriers demanding substantial increases in existing fringe benefits as well as the establishment of additional fringe benefits, all of which can be classified as wage related proposals. For this reason these demands were ultimately combined with the first notice and handled concurrently in subsequent negotiations.

Mediation under the auspices of the National Mediation Board commenced on July 28, 1970 and continued until January 21, 1971 when the NMB in accordance with the provisions of the Railway Labor Act advised the parties that its mediatory efforts had been unsuccessful and asked the parties to agree to arbitrate their differences. Although the carriers accepted the Board's mediation proffer, the union rejected it. Thus, on January 28, 1971, the NMB notified the parties that it was formally terminating its mediatory efforts.

On March 4, 1971, one day prior to a nationwide strike date set by the BRS, the President appointed Emergency Board No. 179 to review the dispute and make recommendations for its settlement. The members of the Board were Paul N. Guthrie, Chairman, Thomas G. S. Christensen and Jean T. McKelvey—all distinguished and well known labor arbitrators. The Board convened in Washington, D.C. on March 15 and held public hearings on six days, concluding on March 26. Subsequent to the close of public hearings the Board met with the parties privately in attempts to work out a mediated settlement. Although these efforts were unsuccessful, the Board indicated in its report that it found them useful in clarifying the issues in dispute for the purpose of writing its report and recommendations for final settlement. A summary of those recommendations, which were submitted to the President on April 14, 1971, is attached to this statement.

With the issuance of the report, the final step in the processes of the Railway Labor Act was exhausted. Under that Act the parties were required to maintain the status quo for thirty days after the issuance of the report, or until May 14, 1971, in an attempt to reach a voluntary settlement. Thus, on May 15th, the parties were free to exercise self help in support of their bargaining demands. On May 10, 1971, Mr. C. J. Chamberlain, President of the Brotherhood of Railroad Signalmen advised the carriers that a national strike date had been set for 6:01 a.m. prevailing time, May 17, 1971. Since that time intensive mediatory efforts, headed by Assistant Secretary of Labor W. J. Usery, and Chairman George Ives of the National Mediation Board, have failed to produce an agreement or a postponement of the strike date.

In his telegram of May 10th, President Chamberlain advised that the national strike was necessary because of the "carriers' refusal to negotiate on the important issues involved." I can only state that there has been no refusal to negotiate insofar as the railroads are concerned. I fully appreciate that my view on this matter could be regarded as somewhat less than unbiased. I am confident, however, that when I have detailed the course of the bargaining which has occurred you will agree that the railroads have indeed negotiated fully and in good faith.

CONTEXT OF THIS DISPUTE

In order to assess properly the position of the parties in this dispute, I believe it is important for the Congress to understand how this dispute fits into the present round of wage negotiations between the nation's railroads and some 17 national labor unions that hold representational rights in the industry.

The present round of labor negotiations in the railroad industry has centered on a three and one-half year agreement covering the period from January 1, 1970 through June 30, 1973. A number of contracts covering the majority of railroad employees have already been reached. For example, among railroad non-operating employees, contracts have been signed with the Brotherhood of Railway, Airline and Steamship Clerks, the Brotherhood of Maintenance of Way Employees, the Hotel and Restaurant Employees, the Railroad Yardmasters of America, the American Train Dispatchers Association and the United Transport Service Employees. Together, these contracts cover some 220,000, or 64%, of all railroad nonoperating employees. The only significant exceptions to this group are the Brotherhood of Railroad Signalmen, the union which is a party to this dispute and representing only 2.8% of all nonoperating employees, and the shopcraft unions which traditionally bargain jointly but have not yet agreed to enter into national negotiations for the present wage round. The shopcraft unions' last wage movement overlaps the present wage round in that wage adjustments for 1970 were included in their last settlement.

The same wage pattern has also applied to employees in the operating sector. The Brotherhood of Locomotive Engineers, representing about 38,000 operating employees, recently agreed to a contract covering this same period of time. This contract includes, in their entirety, the substantial work rules relief that Emergency Board 178 recommended the operating employees represented by the United Transportation Union agree to in order to enhance productivity and efficiency of operations. Although negotiations with the United Transportation Union have not yet resulted in an agreement, the remaining difficulties have not yet resulted in an agreement, the remaining difficulties have not concerned the issue of wages—the President of the UTU has stated that the wages offered by the carriers and recommended by Emergency Board 178 are wholly satisfactory to his union—but the matter of work rules relief for the carriers. The UTU has yet to agree to work rules changes even though they were recommended by Emergency Board 178 and provided the justification for that Board's substantial wage recommendations and even though the other operating union, the Brotherhood of Locomotive Engineers, has accepted them without change.

Thus, in essence the entire railroad industry with the single exception of the shopcraft unions—which have yet to agree to bargaining on a national level—has agreed upon the appropriate wage increases for railroad employees for the 1970–1973 period. Only one union, the Brotherhood of Railroad Signalmen, has rejected this pattern.

The basis for the wage increases already agreed to by the major railway labor unions is found in the report and recommendations of Emergency Board No. 178, which preceded the Signalmen's Board. The report of Emergency Board 178 was submitted to the President on November 9, 1970. Emergency Board 178 was the first Board to consider contract demands for this round of bargaining. That Board recommended substantial—indeed extravagant—wage increases amounting to some 37% over a three year period. Although the railroads were shocked and at a loss in seeking to understand any rational justification for the increases recommended, the industry ultimately agreed to them because of the substantial rules relief also recommended by that Board. So far, agreements have been reached with three of the four unions that were parties to the proceedings of Emergency Board 178. Each of those agreements has faithfully carried out the Board's recommendations not only on wages but also on rules relief. In addition, the parties to those contracts agree to extend the length of the contracts for an additional six month period because of the time that had elapsed in the handling of the dispute. Thus, the total period covered by these contracts was 3½ years, January 1, 1970 to June 30, 1973.

The one union before Board 178 with which the carriers have not reached agreement, the UTU, has readily accepted the wage increases recommended by the Board but refuses to agree to the Board's recommendation for rules changes. The carriers cannot accept the UTU's position because such an agreement would not only destroy the only basis for accepting such inordinately high wage increases, it also would simply encourage the leap-frog tactics of other unions by destroying the pattern settlement.

THE RECOMMENDATIONS OF EMERGENCY BOARD NO. 179

Having placed this dispute in its proper context, I believe it appropriate to review the terms of settlement recommended by Emergency Board No. 179. As I have previously stated, the Board based its recommendations in large measure on what had preceded it in terms of industry settlements.

In making its wage recommendations, the Board was guided by the railroad shopcraft settlements for the years 1969 and 1970, the pattern of wage increases recommended by Emergency Board 178 for 1971 and 1972, and the six month voluntary extension that the parties to that Board proceeding agreed upon in the ultimate settlements. Thus, the Board recommended a 5% wage increase for all signal employees on January 1, 1970 and a 30¢ per hour increase for skilled employed (covered approximately 80% of the craft) and an 18¢ per hour increase for assistants and helpers effective November 1, 1970. Under those terms the signal mechanics' wages would exceed the rate of pay for shopcraft mechanics by a minimum of 2¢ per hour at the end of 1970, the expiration date of the present moratorium on shopcraft settlements. In addition, the Board recommended the establishment of uniform minimum hourly rates of pay and rounding off the wage rates from four decimal points to two decimal points, both of which recommendations would have the effect of providing further increases for signal employees in 1970.

For 1971 through June 1973, the Board recommended the wage increases that had been previously recommended by Emergency Board 178 and agreed upon by the parties to that proceeding. These recommendations called for a 4% increase on April 1, 1971 and a further increase of 5% on October 1, 1971. For 1972, the increases were 5% on April 1, 1972 and 5% on October 1, 1972. For 1973, the Board recommended 15¢ per hour on January 1, 1973 and 10¢ per hour on April 1, 1973.

Thus, for the entire 3½ year period, the recommendations amounted to a 42% general wage increase, surely a sizeable one under any measure or comparison.

In addition to the wage increases, the Board recommended changes in certain rules and fringe benefits that will add to the ultimate cost of the recommendations. For example, the Board recommended an additional paid holiday, making a total of nine paid holidays for signal employees. The vacation provisions were also liberalized to provide for a fifth week of paid vacation after 25 years of service. A new fringe benefit, jury duty leave, was recommended which accords signal employees full straight time pay for work time spent on jury duty. Changes in eligibility requirements governing the payment of moving expenses were also recommended when an employee's headquarters point is changed because of certain conditions.

In addition, the Board recommended the establishment of joint labor-management committees to investigate working conditions alleged by the union to be unsatisfactory. One committee, which was also to include a neutral member, was to examine travel time and food and lodging benefits, particularly the use of camp car facilities to house signal gangs who regularly work away from their homes during the week. This committee was assigned the tasks of (1) establishing penalty payments to those instances where camp car facilities do not meet the standards already agreed upon by the parties; (2) considering the feasibility of eliminating entirely the use of camp cars where other board and lodging facilities are available; (3) examining the monetary allowances presently paid for board and lodging; and (4) considering whether standards can be established to eliminate any individual hardship cases concerning weekend travel from work to home.

Finally, the Board recommended the establishment of another joint committee (without a neutral member) to develop national standards for apprenticeship training for the purpose of serving as a guide in negotiations for such programs on individual properties. The Board also recommended that the parties utilize the services of the Department of Labor's Bureau of Apprenticeship and Training in developing this program.

As anyone can observe, the recommendations of Emergency Board No. 179 were generous not simply on wages but on a myriad of wage-related, fringe benefit subjects. However, even though the Board's recommendations reached a new plateau of all-give and no-take for the benefit of the union, the Brotherhood of Railroad Signalmen has deigned to conclude that the "take" was not enough and the railroads must provide more if a voluntary settlement is to be reached.

THE PARTIES' POSITIONS CONCERNING THE BOARD'S RECOMMENDED SETTLEMENT

The railroads were not in agreement with several aspects of the Board's report; however, there are two fundamental areas about which the industry has great concern insofar as their effect upon settlements already reached and those in the offing.

First, the Board has completely disregarded the fact that in certain agreements the carriers have knowingly recognized the contribution of rules changes to which the unions have agreed, by granting certain wage adjustments in exchange therefor. The Board's disregard of this arrangement between the carriers and certain other unions has resulted in the Signalmen obtaining wage increases to which they are plainly not entitled.

This is especially evident in the Board's recommendations that the Signalmen in 1973, received a 15 cent increase on January 1, 1973 and a 10 cent increase on April 1, 1973, instead of the 25 cents received on April 1st by all other unions which did not agree to significant rules relief. While this departure from the pattern may appear to be small, it is large enough to completely upset the settlements which have been established with other unions and to confound the commitments made to them.

The carriers other basic disagreement with the Board's recommendation concerned the subject of away-from-home expenses and travel time. Here the Board's recommendation suggested the possibility of amending an existing and recent (1967) arbitration award on this very subject. A number of unions other than the Signalmen are parties to that agreement. Although the difficulties in adjusting a multi-union agreement for one union are substantial in themselves, the problem is compounded by the end result; disparity of treatment for railroad employees based upon their union affiliation. The fact that none of the other unions signatories to this agreement had indicated any interest whatsoever in changing the terms of this agreement during the recent round of negotiations and, in fact had agreed to retain its provisions intact, at least until June, 1973, seems to the carriers to be of overriding significance in any consideration of this matter. The carriers have nevertheless tried to comply with the Board's recommendations and sincerely hope that their efforts to be agreeable will not have a disastrous effect on their relationship with the other unions.

Ultimately, although the railroads were not in agreement with many of the recommendations contained in the Board's report, the industry advised the union that upon its acceptance of the wage recommendations contained in the Board's report the carriers would work out an agreement with regard to the other recommendations. This reluctant decision was based upon two premises: (1) the compelling need to recognize authority in the work of emergency boards and the role they were designed to play by the Congress when enacting the Railway Labor Act and (2) the critical need for labor peace in this industry.

The present round of negotiations offers the industry the opportunity to have multi-year stability in labor relations. There is no doubt in our minds—and I am sure in the mind of Congress—that the industry desperately needs such a period of calm after the disruptive events of the last several years. The opportunity to get our own house in order is one that cannot be easily dismissed. We are now very near to achieving this goal and the industry has gone to great lengths to bring to friction this opportunity.

Thus, when negotiations resumed after the Board's report the carriers bargained on the basis of the Board's recommendation. We have agreed to the total wage package recommended by the Board with the single exception of the Board's partial updating in the timing of the 1973 wage increases. We have agreed both to the establishment of uniform minimum rates and replacing the present four decimal system of carrying out hourly rates by the more commonly used two decimal system. We have offered the additional vacation and holiday benefits contained in the report. We have agreed to the liberalization of the requirements governing the payment of moving expenses and the addition of jury duty leave to the already lengthy list of fringe benefits provided railroad employees. We have also proposed to set up committees to investigate and make binding recommendations concerning the use of camp cars and to establish broad guidelines for the use of individual carriers in implementing apprentice programs. I believe it significant to stress at this point that the Board's recommendations were completely confined to wage and fringe benefit improvements for the employees and included no recommendations which favored the carriers or which would serve to offset the effects of the high costs involved in improving the employees' position.

In contrast, the position of the union subsequent to the Board's report has been less than encouraging. The union, of course, quickly rejected the Board's recommendations—including the 42% wage increase—as wholly unsatisfactory. Its most recent formal proposal suggests what in its view might be satisfactory. On general wage increases, the Brotherhood seeks increases of approximately 55%, some 13% higher than the Board's recommendation. In addition, of course, the union remains insistent that a cost of living clause be included in the contract despite the fact that the Board's recommended 42% wage increase anticipated future increases in the cost of living. The union's last "offer" also included a demand for additional compensation for employees who are subject-to-call during their off-duty hours amounting to two hours additional pay at pro rata rates for each regular work day and two hours at premium rates for rest days and holidays. These payments would be in addition to the compensation such employees already receive when actually called under this rule.

In the area of fringe benefits the union has tentatively accepted the additions to the vacation and holiday benefits as well as the jury duty proposal of the Board. However, it insists upon a number of other items such as its original sick leave proposal (to supplement existing sick benefits provided under the Railroad Unemployment Insurance Act and wholly financed by the railroads); increases in away-from-home expense allowances and existing travel time and travel expense rules; as well as extending the moving expense provision recommended by the Board to cover all the items included in the February 7, 1965 job stabilization agreement, even though the union served no notice concerning this subject.

As is plainly evident, the parties are far apart. However, the reasons for these differences are less ascertainable. Every demand still being pushed by the union beyond those included in the Board's recommendations was specifically rejected by the Board for reasons contained in that report.

For example, the union purports to justify its 55% wage increase demand on the alleged unique skills of its signal mechanics. Yet the Board carefully reviewed the union's demand and the justifications offered in support of it and concluded that they were based upon assertions that did not square with the facts. The Board reviewed in detail every shred of supporting material submitted by the union and concluded that:

"... we have examined the evidence presented by the Brotherhood as to the skills of its members, but *we are not persuaded upon the record before us that these skills are measurably superior to those possessed by shopcraft mechanics*. Only two years ago, in a similar proceeding involving the same parties, Emergency Board 175 concluded that the most appropriate yardstick for measuring skills was the parity relationship between signalmen and electricians.

"... We are therefore forced to conclude, as did Emergency Board 175, that the relevant wage comparisons we must use are intra-railroad industry comparisons. Hence, we believe that the wage adjustments in this case should reflect the shopcraft pattern through 1970 and the recent settlements with the Non-Ops for 1971 through the first half of 1973. (Report, p. 19) (Emphasis supplied)

* * * *

"... Finally, we observe that we have carefully reviewed the Brotherhood's arguments in support of their proposed adjustments for skill differentials, but *we believe that these general increases we are recommending subsume and comprehend recognition of their skills for this contract period*." (Report, p. 22) (Emphasis supplied)

In view of the increases recommended by the Board and their reasons for not recommending additional amounts, it is difficult to accept in good faith the union's present position. Surely, no reasonable man could conclude that in the light of the evidence, these additional demands should be met.

The Board refused the union's demand for increases in existing overtime payments noting the "considerable significance in terms of [the proposal's] cost." The Board concluded:

"The record before us does not demonstrate the merit of these requests at this time, nor has it been shown that there is any comparative inequity imposed upon the employees as a result of the existing rules providing for overtime payments. Neither the practice in industry, generally, or on the railroads in particular, supports these requests. Emergency Board 178 had a similar series of requests before it from the BRAC, BMW, and HREU. After a review of the proposals, that Board recommended the withdrawal of the requests.

"After a full consideration of the matter, we reach the same conclusion and recommend that the requests be withdrawn." (Report, p. 33) (Emphasis supplied)

The same can be said for the various fringe benefit demands that the union clings to despite the Board's finding based upon the evidence that no justification for these demands exists. The union's insistence on pursuing these proposals rejected by the Board can be explained only in terms of its desire to leap-frog ahead of other railroad unions and set the pace for future national movements.

An example of the union's intransigence is its demand for the immediate abolition of all camp cars. The union is insisting that these camp cars be abandoned by January 1, 1972, and that employees be provided actual expenses with no maximum for all meal and lodging expenses.

To begin with this demand would abrogate a 1967 award of an arbitration board which exhaustively studied the issue of away-from-home expenses. There were four other unions which were parties to that award, one of which—the Brotherhood of Maintenance of Way Employees—represents a substantially larger number of men assigned to camp cars. None of these other unions have sought to change existing conditions and none of these unions, I might add, are notorious for their willingness to tolerate less than acceptable working conditions.

The Board's approach to this issue was to establish neutral committees for the purpose of determining whether these camp cars were inadequate and to correct any conditions found to be inadequate. The carriers stand willing to enter into an agreement permitting neutrals to make binding recommendations when any substandard camp car conditions are discovered upon investigation. Surely, this is an approach upon which reasonable men could agree. But not the Signalmen's union. They insist upon the immediate abolition of camp cars despite the fact that in certain remote areas there are no commercial food and lodging establishments anywhere near the work site.

CONCLUSION

We have in a sense come a long way in this dispute. Notices were first served over 19 months ago. Negotiating sessions have dragged on interminably. The parties have had to prepare and present detailed support for their positions to a Presidentially appointed emergency board. And yet, in another sense, the distance we have travelled can hardly justify the time that has elapsed. It can perhaps best be measured by comparing the union's original wage demand for a 68½% increase with the 55% increase demanded in the union's latest offer. Although there have been numerous bargaining sessions between the parties and repeated attempts by appropriate government officials to narrow our differences, the fruitlessness of these sessions to date is clearly measured in this lack of movement on the part of the union. Neither figure, I might add, includes the effect of the cost of living adjustments included in both proposals.

With that as background, the question before us now is what, if anything, should the Congress do to end this dispute. The Administration has recommended that the status quo provisions of the Railway Labor Act be extended to July 1, 1971, with a report to be provided the Congress ten days prior to the expiration of this extension period. The railroad industry does not believe that a mere extension of time will resolve this dispute. Negotiations have already been intensive and of long duration. Yet the Brotherhood of Railroad Signalmen has not significantly receded from its original demands. It is my view that further delay will mean another return to the Congress only a few months hence with the identical national railroad crisis unless something is done during the interim to provide for a permanent solution to these ad hoc considerations of labor disputes by the Congress.

The railroad industry recognizes that the only satisfactory resolution of this dispute lies not in Congressional intervention but in a voluntary settlement between the parties. However, as much as we would prefer that solution we have been unable to attain it. These repeated trips to Congress over the past several years have been as distasteful to us as, I am sure, they are to you. Thus, if the Congress is to accept the Administration's recommendation, we strongly urge that this time be constructively used to review proposals to permanently amend the Railway Labor Act to effect this solution. This industry has recommended permanent legislation to provide for ways to resolve these disputes without requiring ad hoc intervention of Congress. For the past two years, the

Administration has submitted comprehensive legislative recommendations to the Congress for this very purpose. Several distinguished Senators and Congressmen have also introduced thoughtful legislative proposals on this same subject. We earnestly ask, therefore, that if the Congress is to pass the Administration's proposal they also consider during this interim an appropriate and permanent solution to a vexatious and growing problem.

CHRONOLOGY OF RAILROAD DISPUTE WITH THE BROTHERHOOD OF
RAILROAD SIGNALMEN (BRS)

- October 1, 1969—BRS served wage notice.
- October 7, 1969—Carriers served counterproposals.
- November 3, 1969—Carriers served additional counterproposals.
- November 14, 1969—Carriers appointed regional committees for further handling of dispute on a national basis.
- March 10, 1970—Letter by BRS President, C. J. Chamberlain, requesting the commencement of negotiations on a national basis on April 7, 8 and 9.
- March 12, 1970—Reply by J. P. Hiltz, Jr., Chairman, National Railway Labor Conference (NRLC) agreeing to C. J. Chamberlain's request for negotiations.
- April 7, 1970—Negotiations between BRS and carriers.
- April 8, 1970—Negotiations between BRS and carriers.
- April 9, 1970—Negotiations between BRS and carriers.
- April 9, 1970—BRS and carriers jointly invoked the mediatory services of the National Mediation Board (NMB).
- April 13, 1970—National Mediation Board docketed the dispute as NMB Case No. A-8811.
- May 18, 1970—BRS served fringe benefit notice.
- July 1, 1970—Letter by J. P. Hiltz, Jr., requesting negotiation on the BRS May 18, 1970 notice to begin on July 15th in conjunction with earleir notice.
- July 6, 1970—Letter by C. J. Chamberlain, contesting joint handling of the BRS May 18, 1970 notice with the BRS October 1, 1969 notice and suggesting the alternative date of July 29 for negotiations on the former notice.
- July 16, 1970—Letter by J. P. Hiltz, Jr., agreeing to July 29, 1970 date for negotiations.
- July 20, 1970—Letter by C. J. Chamberlain, acknowledging July 29, 1970 as date for negotiations.
- July 29, 1970—Negotiations on BRS May 18, 1970 notice.
- July 29, 1970—Carriers requested NMB to supplement NMB Case No. A-8811 with BRS May 18, 1970 notice.
- August 27, 1970—Letters by NMB Executive Secretary, Thomas Tracy, to both parties docketing BRS May 18, 1970 notice as NMB Case No. A-8811, Sub 1.
- November 9, 1970—Letter by C. J. Chamberlain to George Ives, Chairman of the NMB, requesting the resumption of negotiations under the auspices of the NMB.
- November 23, 1970—Mediation Session.
- December 16, 1970—Mediation Session.
- December 17, 1970—Mediation Session.
- January 7, 1971—Mediation Session.
- January 22, 1971—Letters from the NMB to both parties proffering arbitration.
- January 25, 1971—Carriers accepted arbitration.
- January 26, 1971—BRS rejected arbitration.
- January 28, 1971—NMB terminated its services.
- February 2, 1971—BRS set March 5 strike date.
- March 4, 1971—Executive Order 11585 created Emergency Board 179.
- March 11, 1971—President appointed Paul N. Guthrie (Chairman), Thomas G. S. Christensen and Mrs. Jean T. McKelvey to serve on Emergency Board.
- March 15, 1971—Emergency Board hearings commenced.
- March 26, 1971—Emergency Board hearings concluded (total of six days of hearings).
- March 27, 1971—Mediation session conducted by members of Emergency Board 179.
- April 9, 1971—Mediation session—members of Emergency Board 179.

April 14, 1971—Emergency Board submitted its report and recommendations to the President.

April 27, 1971—Meeting between NMB and carrier representatives.

April 28, 1971—Meeting between Messrs. Hiltz and Chamberlain.

April 29, 1971—Mediation session conducted by NMB.

May 3, 1971—Meeting between NMB and carrier representatives.

May 6, 1971—Mediation session conducted by NMB.

May 7, 1971—Meeting between NMB and carrier representatives.

May 10, 1971—BRS ordered national strike on May 17, 1971.

May 11, 1971—W. J. Usery, Assistant Secretary of Labor, joined efforts to bring about a settlement. Meeting between NMB and carrier representatives.

May 12, 1971—Mediation session conducted by Assistant Secretary of Labor W. J. Usery.

May 13, 1971—Further mediation session.

May 15, 1971—Further mediation session.

May 16, 1971—Further mediation session at Department of Labor commencing at 10:00 A.M.

A SUMMARY OF THE REPORT OF EMERGENCY BOARD No. 179

I. GENERAL

A. The Board noted that the carriers had placed great emphasis upon the financial plight of the railroads. However, the Board agreed with Emergency Board 178 when that Board observed that it was simply not within its province to afford the kind of relief which would meet the financial problems of the railroads.

B. The Emergency Board dismissed all references to the problems of inflation stating that the problems of inflation are essentially problems of the whole economy and not within the province of the Board.

C. The Emergency Board stated that little weight should be accorded the factor of productivity because of the speculative hazards in using the kind of data before it and because the factor of productivity is more generally regarded as an appropriate one in relation to productivity gains in the economy as a whole.

II. SPECIFIC RECOMMENDATIONS

A. The Wage Issue

The Emergency Board concluded that the relevant wage comparisons it should use were intra-railroad industry comparisons. The wage adjustments should reflect the shopcraft pattern through 1970 and the recent settlements with the Non-Ops for 1971 through the first half of 1973.

The Emergency Board stated that it had carefully reviewed the Brotherhood's arguments in support of its proposed differential skill adjustments but believed that the general increases that it was recommending subsumed and comprehended recognition of their skills for the contract period.

The Emergency Board recommended the following wage increases:

1st year:

Jan. 1, 1970-----	5 percent.
Nov. 1, 1970-----	30 cents per hour for skilled employees; 18 cents per hour for assistants and helpers.

2nd year:

April 1, 1971-----	4 percent.
Oct. 1, 1971-----	5 percent.

3rd year:

April 1, 1972-----	5 percent.
Oct. 1, 1972-----	5 percent.

4th year—first 6 months:

Jan. 1, 1973-----	15 cents.
April 1, 1973-----	10 cents.

Finally, the Board recommended that the parties adopt the same rounding off procedure agreed to by the shopcrafts and the carriers.

B. Cost of Living

The Emergency Board recommended against cost of living adjustments. The Board referred to the rejections of similar cost of living proposals by Emergency

Boards 174, 175 and 178 and stated that the same considerations which compelled a consistent rejection of this proposal by these Boards were still applicable and controlling.

C. Uniform Minimum Rates

The Emergency Board recommended that the parties negotiate a national uniform hourly wage rate for each job classification to eliminate existing regional rate differentials.

D. Subject-to-Call

The Emergency Board recommended that the proposals seeking specific payments for "on call" employees (4 hours pro rata pay each day and 4 hours at time and one half on rest days and holidays) be withdrawn because premium pay and minimum guarantees already were payable to signal employees; work performed by signal employees not paid on a daily basis already comprehended performance of work outside normal shifts; and most, if not all, the positions affected by the "on call" restrictions were subject to bid and thus their occupancy was a result of employee choice.

The Board recommended that signal employees who are required to be available and to notify supervisors as to where they may be reached on a daily, rather than a general basis, should be given adequate and published notice of that requirement as constituting an intrinsic part of their duties. The Board recommended that a rule be negotiated which would match that rule already incorporated in the agreement between the Brotherhood and the Chicago and North Western Railway:

"Employees assigned to regular maintenance duties . . . will notify the person designated by management that they will be absent, about when they will return and when possible where they may be found. Unless registered absent regular assignee will be called."

E. Overtime

The Emergency Board stated that after a full consideration of the request for double time payments and a minimum of 6 hours instead of 4, it reached the same conclusion as had Emergency Board 178 and recommended that these requests be withdrawn. The Board found that the record before it did not demonstrate the merit of these requests, nor did it show any comparative inequity imposed upon the employees as a result of the existing rules providing for overtime payments. In addition, the Board stated that neither the practice in industry, generally, or on the railroads in particular, supported these requests.

F. Shift Differentials

The Emergency Board recommended that this Brotherhood demand be withdrawn. The Board stated that, although shift differentials had gained acceptance in many industries, the record before it established that less than three percent of the signal employees worked such shifts and that the concept of a premium based on "clock" starting times, despite many years of intensive negotiations between these parties had never gained more than isolated acceptance.

G. Longevity Pay

The Emergency Board recommended that this proposal be withdrawn. The Board stated that as the Brotherhood itself noted, longevity pay clauses are comparatively rare in private industry and unknown in the railroad industry. Also, on the railroads, the pay structure has always been based upon rates for positions, not for individual employees.

H. Interest on Retroactive Pay Increases

Although the Emergency Board stated that it was not prepared to recommend the Brotherhood's proposal for interest payments, it did recommend that the parties negotiate a rule which would provide that a reasonable period be allowed, following the effective date of their agreement, for payment of amounts attributable to retroactive adjustments, and that such a rule include provision for a penalty when such payments, in the absence of extraordinary reasons or by mutual agreement, are not made within such period.

I. Paid Holidays

The Emergency Board recommended that, effective in 1973, Veterans Day be added as a ninth paid holiday. The Board found that the data presented did not indicate that the present number of eight holidays was substandard. In addition,

the Board stated that it had not been presented with convincing evidence that application of the Federal Uniform Monday Holiday Act would be practical or necessary as to the schedule of holidays proposed. Furthermore, the Board stated that it had not found any justification in the evidence for any increase in the applicable premium rate.

J. Vacations

The Emergency Board refused to recommend the Brotherhood's proposal reducing the length of service requirements for four weeks' vacation from 20 to 15 years of service and adding a fifth week of vacation after 20 years of service. The Board found that the carriers' offer of five weeks of vacation after 25 years of service was a reasonable offer. Also, the Board recommended that the Brotherhood's demand for double-time pay for work performed during a vacation period be withdrawn because it did not find that it was a common practice to require signal employees to work during their vacations.

K. Jury Duty Leave

The Emergency Board recommended that the carriers' offer of full straight time pay to a maximum of 60 days less any amount received for jury duty be accepted. The Board stated that the carriers' offer was in line with current practice while the Brotherhood's demand for full pay without deduction of jury duty allowances was found in only a small number of current agreements and could result in "windfall" payments to many employees called for jury duty.

L. Bereavement Leave

The Board recommended withdrawal of this proposal on the basis that it did not believe that this was the moment for the introduction of a cost item regarding what is, for the railroad industry, an entirely new fringe benefit.

M. Paid Sick Leave

The Emergency Board recommended that this request by the Brotherhood be withdrawn. The Board found that the benefits provided by the Railroad Unemployment Insurance Act were considerably more adequate than those found in paid sick leave plans, where they exist in other industries. The Board also stated that it believed that its recommendations elsewhere in this report with respect to wages and other matters, meet the overall equities here involved. Moreover, to the extent that the problem exists, it is of industry-wide scope and hence would be better handled by multi-union negotiations or by changes in the law.

N. Travel Time

The Emergency Board recommended that the carriers and the Brotherhood establish joint committees with equal partisan representation and one neutral member. The Board stated that the committees should be assigned the following responsibilities: First, to establish penalty payments as to the continued usage of camp cars or other carrier-owned facilities which do not meet the standards of Arbitration Board No. 298; Second, to examine the feasibility of the eventual elimination of the use of such camp cars where other board and lodging facilities are available; Third, to examine the adequacy of the allowances for board and lodging made by Arbitration Board No. 298 in the light of present economic conditions; and Fourth, to examine the question of whether standards can be set which would eliminate individual hardship cases as to weekend travel from work to home. In this regard, the Board stated that it was looking to the establishment of negotiated rules containing standards as to the frequency of such visits and the travel distance beyond which there would be a requirement on the carrier for the payment of such travel time for home visits.

O. Moving Expenses

The union's demands in this area were:

(1) Moving expenses upon a transfer to a new headquarters point and other moves resulting from an abolishment of a position, reassignment or reorganization of forces.

(2) A decrease in the 30-mile limit to a 20-mile limit for reimbursement for residence relocation, when an employees' point of employment is changed.

(3) Moving expenses to include all expenses and losses, including real estate losses, moving of household and personal effects, travel expenses for himself and family, 5 working days actual wage loss and a \$500.00 allowance.

In its Report, the Board stated that it was "not persuaded" that the unions' proposals in regard to moving expenses "have merit at this time, with one exception. . . ." The exception was a conclusion by the Board that the prevailing eligibility requirements as they related to moving expenses were outdated and recommended that the parties negotiate a change in the present eligibility date.

P. Apprenticeship Program

The Emergency Board recommended the establishment of a committee with equal representation from the Brotherhood and the carriers to study and enunciate national standards for apprenticeship training to serve as guidance in negotiations on individual railroads. The Board further recommended that the parties utilize the services of the Department of Labor's Bureau of Apprenticeship and Training in the development of such a program.

Q. Moratorium

The Emergency Board recommended that a moratorium should be imposed on those matters which are covered by, or closely related to, the issues included in the agreement, or which have been dropped during negotiations. Issues not covered in the agreement, nor bargained out or dropped as demands in the current round of negotiations, should not be subject to a "freeze" during the period of the contract. In addition, the Board found that inasmuch as the carriers and three of the unions involved in the proceedings before Emergency Board 178 have now concluded agreements providing for a moratorium limited to those issues disposed of in the current round of negotiations, and since this Board too was recommending that the parties negotiate an agreement with a fixed expiration date of June 30, 1973, this agreement should contain a similar moratorium provision.

The CHAIRMAN. One more point—the report to the President by the Emergency Board 179, on page 86, stated the carriers' notice on or about October 7, 1969 (amended), and November 3, 1969, appendix "E" proposed a number of changes in various rules in existing contracts.

During the course of the hearings, the carriers informed the Board that they were not asking for any recommendations concerning these proposals, that carriers introduced no evidence relating to their requested rules changes. I would like a comment on that.

Mr. HILTZ. That is absolutely correct, sir. As I said before, there is nothing in this report that benefits the railroad industry. Everything in this report, every recommendation in this report is in favor of the union and supplies them with either increased wages or improved fringe benefits.

The CHAIRMAN. Mr. Moss?

Mr. Moss. I take it that you don't view with any optimism the date of June 21 as offering a better picture of the negotiations between the railroads and the signalmen than exists at the moment. Am I correct?

Mr. HILTZ. That is correct, Congressman Moss.

Mr. Moss. In other words, you are not as sanguine as the Secretary that this is going to bring about settlement.

Mr. HILTZ. Not based on my experience in the past few days.

Mr. Moss. The positions of both parties are hardened and you are pretty well dug in on them; is that correct?

Mr. HILTZ. That is correct.

Mr. Moss. In view of that, Mr. Chairman, I have no further questions.

The CHAIRMAN. Mr. Nelsen?

Mr. NELSEN. No questions.

The CHAIRMAN. Mr. Van Deerlin?

Mr. VAN DEERLIN. No questions.

The CHAIRMAN. Mr. Brown?

Mr. BROWN. Mr. Hiltz, do I understand correctly that the industry has expressed its willingness to accept the package proposed by the Presidential Board?

Mr. HILTZ. That is correct, Congressman Brown.

Mr. BROWN. Thank you.

The CHAIRMAN. Mr. Adams?

Mr. ADAMS. Mr. Hiltz, I will repeat the question I asked you the last time you were up here, when we got into the problem with the operating people. Suppose we tack on to this a selective strike proposal, as was in effect done by the courts last time. Do you think this would alter the position of the parties with regard to bargaining?

Mr. HILTZ. Congressman, you were very easy on me last time. You did not ask me any questions. I am sorry, but I don't quite understand your question. You said as tacked on by the courts?

Mr. ADAMS. Yes. What happened with the last dispute was that it was never settled. We went for an extension of time, but in the extension of time the Congress did two things. One, it provided the retroactive wages for the period of time during which the injunction would be in effect. In other words, to say if we are going to hold the men from striking they should at least have the wages that have been agreed upon at that point.

The second thing raised was that there could be a selective strike. This was offered as potential amendment, but the reason it did not go further was that this matter was before the courts.

Now the courts held, at least the Court of Appeals for the District of Columbia held, that they can engage in a selective strike. Three out of four unions and the management came to settlement.

What I am asking you is, if we were to legislate this, making it easier than having it go through the court, would that tend to make the parties bargain a little more actively?

Mr. HILTZ. Let me say that the three settlements that were made were made prior to the court of appeals decision which temporarily legalized the selective strike. So I don't think that that decision had any bearing whatsoever on the three settlements that were made.

Now, as you know, I would be very much opposed to Congress legislating the right of the unions to selectively strike this railroad industry and to bludgeon individual carriers to their knees by this method.

Mr. ADAMS. You see, the thing that bothers me, Mr. Hiltz, is that in response to Mr. Moss' question—and we, all of us; you and I and other members of this committee, have been through this many times before. When we put the injunction in against the men and if we put our foot deeper into it by legislating some wages, we tend in those cases, to in effect take the position of management by holding the men without any counter pressure on management.

Now I don't particularly want to take either side in it. I want the parties to bargain, but we always search for some method of urging them towards settlement by making it a little unpleasant for both sides. Now that is what I am asking you. I will ask Mr. Chamberlain that when he comes on, too.

Mr. HILTZ. May I say, first, that any extension would provide as much discomfort for management at this time as it would for the unions. We have, as you probably have heard, just made an historic settlement with the Brotherhood of Locomotive Engineers during which we were able to obtain rules relief from the Brotherhood of Locomotive Engineers precisely as the Emergency Board 178 recommended we should receive from the United Transportation Union. However, most of that rules relief will not do us any good until the United Transportation Union agrees to it.

Now, we hope to get back in negotiations with the United Transportation Union and try to get that same rules relief so that we can put it into effect for all crews, but with the railroad signalmen hanging out and the possibility of the railroad signalmen getting by legislation or selective strikes or some other means, a settlement far in excess of what we settled on with the Brotherhood of Locomotive Engineers, I am sure the UTU is going to keep quite an eye on the Brotherhood of Railroad Signalmen during the extended period.

Mr. ADAMS. That is what I wanted to know. Whether this extension was going to have some effect on the parties, because I have read in the Emergency Board hearings how you reduced your offer to the signalmen in a comparable situation to the others who are working, in the shop crafts and so on, based on the fact that you got rules changes or you have rules changes pending with the operating people.

Now that is why I feel that we are in pretty deep water when we try to settle the matters that are pending before you. But you have justified your reduced offer to the signalmen based on the fact that you don't have rules changes with them, haven't you,

Mr. HILTZ. Yes, but the Emergency Board disregarded this and recommended a wage increase and disregarded the fact that we had not asked for any rules changes from the signalmen. Therefore, in effect, the signalmen are setting a much better settlement than the shopcrafts got before them.

Mr. ADAMS. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Skubitz?

Mr. SKUBITZ. Mr. Hiltz, is it your feeling even though we should extend the time nothing will be accomplished?

Mr. HILTZ. I would hope, Congressman Skubitz, that efforts would be exerted toward permanent legislation which would eliminate my appearances before your august committee.

Mr. SKUBITZ. The Secretary expressed hope if we would continue this it would force you back to the bargaining table. But I just don't quite understand, you and Mr. Chamberlain never come face to face. Do you know each other or not?

Mr. HILTZ. Oh, yes; we know each other very well. We have had quite extended discussions.

Mr. SKUBITZ. The reason I raised the question is that Mr. Chamberlain says you only have had five meetings. Is that correct?

Mr. HILTZ. I haven't counted those up.

Mr. SKUBITZ. Five meetings in 16 months isn't negotiating in my book.

Mr. HILTZ. I think there were very many more than five. As a matter of fact, as the chronology which is attached to my statement will indicate, that Mr. Chamberlain first asked for a meeting by a

letter dated March 10. I responded to that letter with a letter on March 12 setting the exact dates that he asked for negotiation. We met on April 7, 8, and 9.

Subsequently we have met—and I am sure it is more than twice—since that time. But I could not count them up at the present time.

Mr. SKUBITZ. Thank you.

Mr. BROWN. Mr. Chairman, I should like to ask one question to get the figures straight on the unemployment pay.

That \$12.70 a day on a 5-day week as long as the strike lasts on a daily basis?

Mr. HILTZ. Five-day week.

Mr. BROWN. Thank you.

Mr. HILTZ. I might say, Congressman Brown, that no other industry in the United States or in the world can make that statement; that they give their strikers unemployment pay.

Mr. SKUBITZ. Is it your feeling that the time has come for permanent legislation of some nature to settle these disputes? Is that correct?

Mr. HILTZ. Absolutely, and the industry has submitted a proposal for such legislation.

Mr. SKUBITZ. Thank you

The CHAIRMAN. The committee will stand adjourned until 2 o'clock and we will resume with you, Mr. Chamberlain at that time.

(Whereupon, at 12:30 p.m., the committee recessed, to reconvene at 2 p.m. of the same day.)

AFTER RECESS

(The committee reconvened at 2 p.m., Hon. Harley O. Stagg, chairman, presiding.)

The CHAIRMAN. The committee will come to order.

When we stopped at noontime we had been questioning the witness, Mr. Hiltz.

Mr. HARVEY, did you have an opportunity to ask any questions of Mr. Hiltz?

Mr. HARVEY. No, and I don't have any questions, Mr. Chairman. I have had a chance to read over his statement during the lunch hour. I wish to thank him for coming.

The CHAIRMAN. Mr. Shoup, do you have any further questions of Mr. Hiltz?

Mr. SHOUP. No, Mr. Chairman, I have no questions. Thank you.

The CHAIRMAN. It might be that we can dispense with you, sir. Thank you very kindly.

Mr. HILTZ. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Chamberlain, will you take the witness stand, sir?

Mr. Chamberlain, if you will state your name and position for the record, please, and also identify the gentlemen who are accompanying you.

STATEMENT OF CHARLES J. CHAMBERLAIN, PRESIDENT, BROTHERHOOD OF RAILROAD SIGNALMEN; ACCOMPANIED BY D. W. BENNETT, LEGAL COUNSEL; R. T. BATES, SECRETARY-TREASURER; AND W. W. BEST, RESEARCH DIRECTOR

Mr. CHAMBERLAIN. Mr. Chairman and members of the committee, my name is Charles J. Chamberlain. I am the president of the Brotherhood of Railroad Signalmen.

To my far right is Mr. R. T. Bates, secretary-treasurer of the Brotherhood. To my immediate right is Mr. D. W. Bennett, legal counsel for the Brotherhood. To my left is Mr. W. D. Best, the research director for the Brotherhood.

The CHAIRMAN. You may proceed, sir.

Mr. CHAMBERLAIN. Mr. Chairman, I have prepared a brief statement, a short resumé of the situation to kind of give the committee a resumé of what the real issues of this dispute are.

The Brotherhood of Railroad Signalmen represents more than 99 percent of the railroad employees in the United States and Canada who are working today in the craft of railroad signaling. Our brotherhood is one of the international standard railroad unions affiliated with the AFL-CIO and the Railroad Labor Executives Association.

Our brotherhood's membership is confined to the railroad industry. Our members perform the highly skilled signal and communications work for the Nation's railroads.

The dispute which has resulted in our strike action against the Nation's railroads involves an October 1, 1969, wage notice, and May 18, 1970 fringe benefit notice. The notices have been a matter of negotiations for the past 20 months. However, we have been unable to reach a satisfactory agreement following all of the procedures of the Railway Labor Act.

One of the key issues involved in the instant dispute is the inequity in wage rates paid skilled signal employees as compared to wages paid employees in comparable occupations both within and outside the industry. The Brotherhood of Railroad Signalmen negotiated a voluntary agreement with the Nation's carriers on April 21, 1969, which provided for a skill inequity adjustment of 22 cents on July 1, 1968, which was over and above the so-called pattern settlements in the railroad industry at that time. We stated at that time that that agreement was a first step agreement in removing severe inequities in the rate of pay for skilled signal employees in the railroad industry.

For the record, let us look at what has transpired since that time. First, the shop craft unions received a 22 cents per hour increase over and above what had been granted skilled signal employees for 1969. Ten cents per hour was granted to all classifications and 12 cents additionally was granted to skilled employees within that group in increments of 5 cents and 7 cents. Signal employees who had been lagging

behind over the years and who had just received a skill differential as a partial catchup in 1968 were once again placed in a position which further compounded the inequities that have existed within the railroad industry for many years, in fact since World War II.

We recognize that the shopcraft settlement in 1969 was certainly justified, as they, too, are suffering from substandard rates of pay for their skill classifications. The inequity of wage rates and the rapid deterioration of the working and living conditions for signal employees in the railroad industry, compounded by a rapidly accelerating cost of living during the past several months have placed signal employees at the bottom of the heap in the railroad labor force.

Let us look for one moment at the current rates of pay for skilled signal employees. A spread of \$3.78 an hour to \$3.81 per hour exists for the vast majority of skilled mechanics. This rate of pay has been in effect since July 1, 1969. Look at the rates of pay for electricians in outside industry. They range from a low of \$7 per hour to a high of \$9 per hour. Any skilled signal employee can perform the duties required of an electrician. In fact, electricians in outside industry for the most part do not have to perform their work under the primitive adverse conditions that railroad signal employees must contend with.

With the exception of signal repair shops, all signal employees must work outdoors and perform their duties under the most adverse weather conditions. In fact, severe weather conditions: rain, lightning, snow, subzero weather almost insure the signalman that he will be faced with trouble-shooting on failures in addition to his regular maintenance duties. The signal employees assigned to maintenance sections for the most part work alone. There is no occupation that exposes a man to more hazardous and dangerous working conditions than a signal employee working alone at night operating a track motor car, climbing poles, checking circuits, adjusting or repairing power switch machines or any of the many other duties he may be called upon to clear trouble so that trains may move as expeditiously as possible.

Let us look for a moment at the living conditions and expenses that are allowed signal employees when they are required to work away from home, which is a key issue in this dispute. Many carriers still provide living quarters in primitive, outmoded camp cars that date back to the 19th century. The members of this committee and the general public would be shocked to actually see the primitive quarters in which the majority of the railroads in the industry require signal employees to live. To compound this intolerable situation, the carriers allow \$1 or \$2 a day for meals, depending on whether the cook is furnished. The employees still must provide and pay for the food. In some cases when there are no living or cooking facilities provided, the carriers allow \$7 per day toward meals and lodging expense. Where employees are assigned to work away from home points all week they are not allowed expense for weekend trips home.

As you can see, the signal employees who are required to work away from home are placed at a definite disadvantage because of the substandard living conditions and financial burden placed on them due to the meager allowance granted to them. We are requesting in the dispute that full necessary expenses for meals and lodging be paid

all employees assigned to positions which require them to be away from home during the week, plus allowance for expenses incurred for weekend trips home.

Our request comprehends the abolishment of the outmoded and outdated camp cars as lodging facilities. I deem it appropriate to briefly mention the key issues involved in this dispute and the great differences in the working conditions of our craft and the requirements signal employees must fulfill as opposed to other non-ops within the industry.

Gentlemen of this committee, I implore you to take heed of what is involved in this case. A review of the history will show what pattern bargaining settlements have done to a group of highly skilled employees.

This organization set out in 1967 with the objective to correct certain inequities as well as to remove others that have existed far too long because of the industry's refusal to recognize that we were a different, unique small group within the industry who have different problems from other organizations. We made a slight movement toward our objective, in the May 21, 1969, agreement, however, the economic climate since that date has completely wiped out any small gains made at that time. We are determined to get rates of pay, expenses, allowances, and working conditions that we are entitled to and that are commensurate with our skills and responsibilities. Ours is a relatively small group within the railroad industry. However, we will no longer accept the substandard rates that have been granted by the industry over the years. It is important to note—and Mr. Hiltz has made a clear point of that this morning and he did before the Emergency Board—that there are no restrictive work rules as such which apply to our working agreements. The carriers have flexibility with the use of signal forces and there are ways and means to accomplish by negotiations or implementing agreements any accommodations that the carrier may desire or need to fit any conceivable situation.

Other unions have made agreements in the past few weeks that are acceptable to their members. Our members who perform duties for the railroad industry requiring skills which equal and surpass those in similar occupations are certainly entitled to rates of pay enjoyed by the electricians and the other highly skilled classifications in outside industry. Just because one works for the railroad industry, should he be expected to perform his highly skilled service for a substandard rate of pay? Absolutely not. The railroad industry being the most important industry in this country—that is what we have been hearing a lot about in the last few days—must face reality and start recognizing they can no longer expect to hire and retain highly skilled employees at less than standard rates of pay. The skilled signalman's annual wage in 1969 based on \$3.78 an hour at 173 hours per month yielded him an annual income of \$7,847.28. The U.S. Bureau of Labor Statistics in 1969 stated that an income of \$8,737 a year was necessary to maintain a moderate standard of living. Everyone knows what has happened since 1969 to the cost of living, and let me assure you that the skilled signal employees on the Nation's railroads do not let me forget it for one minute.

Gentlemen of the committee, the primary issues in this dispute are the gross inequities that exist in the pay structure, in the living and working conditions of signal employees. Settlement of our dispute must be geared to a parity with identical or comparable occupations outside the railroad industry as our members can no longer be expected to tolerate substandard wages and working conditions and I can assure you that we will not. We will not accept anything less than an agreement which will place us at the point where our members can still hold their heads high and will not be forced to say, "me too."

For the benefit of the committee, we have prepared a summary sheet which I understand has been distributed to the committee which lists the two key unresolved issues in the current wage-rules dispute between the railroads and the Brotherhood of Railroad Signalmen.

Thank you, Mr. Chairman.

(The summary sheet referred to follows:)

UNRESOLVED ISSUES IN THE CURRENT WAGE-RULES DISPUTE BETWEEN THE NATION'S RAILROAD CARRIERS AND THE BROTHERHOOD OF RAILROAD SIGNALMEN, MAY 17, 1971

1. The skilled classifications of the signal employees Signalmen-Signal Maintainers and above classifications are seeking a skill inequity adjustment which is fully justified because of the great disparity between current wage rates paid skilled signal employees and current wages received by employees in comparable occupations both within and outside the railroad industry. Because of these inequities within the industry, the skilled signal employees have lost approximately \$750.00 per employee during the period of 1967 through 1970. This wage loss is further compounded by the great spread between wages of skilled signal employees and electricians in outside industry which is widening at a rapid rate due to larger increases being granted such employees.

The Carriers' offer did not recognize this inequity and in fact it did not even come up to increases granted other Railroad workers in recent settlements.

The Signal apprentices and helpers were likewise offered wage increases which were substantially less than those granted other railroad workers in recent settlements.

2. Away from home expenses—The signal employees who are employed in construction gangs and are required to live away from home during their work week are requesting that they be allowed actual expenses for meals and lodging. Camp cars, highway trailers, or outfit cars are not to be used to house such signal employees after January 1, 1972.

The deplorable, unsafe, unsanitary, totally inadequate conditions of Carriers' camp cars, highway trailers and outfit cars which have existed for many years must be removed and employees assigned thereto permitted to live in motels and hotels with actual expenses for meals and lodging paid for by the Carriers the same as is granted other employees in other industries.

SUMMARY

The employees in this dispute have made every effort to negotiate a satisfactory agreement without success. The employees have been most patient in these negotiations and have tolerated numerous delays during the past 20 months because of the Carriers not meeting with us for numerous and in many cases inexcusable reasons.

For the reasons stated above and because of the severe economic pressure that has been experienced by railroad signal employees and their families due to substandard wage rates-rapid increase in the cost of living during the past several months, it is absolutely imperative that this dispute be resolved in a satisfactory manner as promptly as possible.

This can only be possible by a willingness of the Carriers to negotiate on the unresolved issues in a sincere manner. We are ready to resume negotiations at once and have been ready for the past 30 days to resolve this dispute and avoid any inconvenience to the general public.

The CHAIRMAN. Thank you, Mr. Chamberlain.

Mr. Moss.

Mr. Moss. Mr. Chamberlain, what is the total amount of increases your members have received in wages in the last 10 years?

Mr. CHAMBERLAIN. In the last 10 years?

Mr. Moss. In the last 10 years; yes.

Mr. CHAMBERLAIN. I think I can relate them to you, the actual amounts received over the years: Back in 1962 they received a 10.28 cents per hour increase. I think that was followed by three 10-cent-per-hour increases, which was followed by a 5-percent increase, and a 2.5 percent increase, which followed our March 1, 1968, wage boost, at which time we received a 22 cents skill inequity, 3.5 percent, and in 1969 a 2 percent on January 1, and a 3 percent on July 1. That has been the amount of increase since 1963. It is not quite 10 years but I think it goes far enough back to give you the picture.

Mr. Moss. Do you recall the basic hourly rate in 1962 prior to the 10.28-cent increase?

Mr. CHAMBERLAIN. \$2.65 an hour.

Mr. Moss. A 10.28-cent increase, three 10-cent increases, and then the percentage formula, and 22 cents in 1968, which was a skill differential, and then a 3.5 and 2 and 3 percent. I will figure out the gross amount.

What do you feel would be accomplished in the 45 days, roughly, that would be added or extended under section 10? Do you think any negotiations would be fruitful if undertaken during this period of time if it is voted?

Mr. CHAMBERLAIN. Mr. Moss, after 20 months of limited negotiations and the carriers' refusal to discuss the issues I must honestly say that I am not optimistic, particularly in view of what has happened in the last 30 days since the Board issued its report, and in particular the last week, up until the strike date.

Mr. Moss. Do you feel that there has been a lack of meaningful discussions during these 20-odd months?

Mr. CHAMBERLAIN. I not only feel it, I know it.

Mr. Moss. I think that is all the questions I have, Mr. Chairman.

The CHAIRMAN. Mr. Springer.

Mr. SPRINGER. No questions, Mr. Chairman.

The CHAIRMAN. Mr. Macdonald.

Mr. MACDONALD. Not really, Mr. Chairman.

I would like to ask, would you go far enough to elaborate on your answer to Congressman Moss. Would you say that there are grounds for action in bargaining in good faith? Do you think you could or would bring action against your adversaries by charging them under the law with not bargaining in good faith?

Mr. CHAMBERLAIN. Mr. Macdonald, let me go back and give you a brief chronology of the events. Since we served notice on October 1, that notice was served by our general chairman on every railroad in the country on October 1. On the same date I wrote Mr. Hiltz and the regional chairman of the regional conference committees advising what our people were serving, requesting that they set up their conference

committees, get the authority so that we could start negotiations. I received no response to that whatsoever.

On December 10 I again wrote the same group. The response to that was on March 10, I believe, and we finally agreed to start negotiations on April 7. Now after serving notice on the Nation's carriers on October 1, 5 months later we sit down across the table, after four letters which I had to jar them with to make them move. Believe me, I am a pessimist when it comes to honest collective bargaining in the railroad industry when it takes 5 months to get to the initial conference.

Mr. MACDONALD. But you do know, you made a rather strong statement in saying, and I think I quote you correctly, that you know, it is provable, that there was no bargaining in good faith. That is a very strong statement in a very sensitive area. I was wondering what you base that on except the lag in time in response to your communication. Once they came to the bargaining table was there any give and take? Did they evidence any good faith in backing away from something or did you in backing away from some of your demands?

Mr. CHAMBERLAIN. As a result of the initial negotiations we received an offer of 5 percent for 1970 and two 4-cent increments which we immediately turned down. We dealt from our notice.

Mr. MACDONALD. You dealt from what, sir?

Mr. CHAMBERLAIN. We dealt from our notice, we were standing pat on our notice with that kind of offer coming from the carriers.

Finally, at the request of the Mediation Board they asked could we get off our notice and make a proposal to them, which we did in December of 1970. Now look at the lag in the negotiations from April up until December before we sat down again. There were one or two occasions we sat down for 1 day in that interim period. At that time we came up with a formal request which was a considerable departure from our notice.

The carriers met with us and said that they would consider it and come back with an answer sometime early in January 1971. January 7 is the exact date. At that time they did come back with a response. They said our notice was not acceptable. They came up with an offer that was presented to us which we turned down.

Mr. MACDONALD. When they came back with another offer was the offer upward?

Mr. CHAMBERLAIN. Yes.

Mr. MACDONALD. Isn't that some sort of evidence of bargaining in good faith?

Mr. CHAMBERLAIN. Yes, it was. But now let me finish my story, Mr. Congressman.

Mr. MACDONALD. Yes, sir.

Mr. CHAMBERLAIN. Then we went into the Emergency Board proceedings. Before the Emergency Board they reduced their offer. Now is that good-faith bargaining when you go before an Emergency Board and make a formal offer before that Board that was less than they did in negotiations?

Mr. MACDONALD. The reason I got into this is because I asked the same question of the Secretary this morning. I asked him why he believed that a postponement of the due time of the strike would be

helpful. I renew my questioning of you inasmuch as you apparently don't believe that the carriers are bargaining in good faith. Is there any way this impasse can be overcome in the suggested time?

Mr. CHAMBERLAIN. The only way you can bargain with the carriers is to negotiate downward.

Mr. MACDONALD. My point is, and once again we are under a time limitation here, we don't want to "drag our feet," but what is the point of extending a time period? I take it you are speaking for your people and not just for yourself individually. If you are speaking for your people and you feel that the carriers are not bargaining in good faith what is the possibility of any settlement within the required postponement time, or is there any?

Mr. CHAMBERLAIN. It is up to the carriers. We have moved and we have moved considerably. But there has to be movement on both sides to get an agreement.

Mr. MACDONALD. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Nelsen.

Mr. NELSEN. No questions, Mr. Chairman.

The CHAIRMAN. Mr. Adams.

Mr. ADAMS. Thank you, Mr. Chairman.

Mr. Chamberlain, with regard to that, I have gone through the report of the Emergency Board which says that the carriers' offer was to blend you in with the shopcrafts and the operating people, and that as a result of this it was felt the carriers' offer was too low but that they had come up with one that would put you in. I am referring to page 22 of the report. That would put you in with WBRAC, WMBE, and HREU.

I don't want to prejudice your position in the bargaining and I am asking this only in terms of the fact that we got out apparently a Senate bill that indicates acceptance of some of these Board recommendations. Do these recommendations up through April 1, 1971, put you in a comparable position with the other unions doing comparable work?

Mr. CHAMBERLAIN. They do not.

Mr. ADAMS. In other words, your feeling is that 5 percent January 1, 30 cents November 1, both 1970, 4 percent on April 1, 1971, do not make you whole to this date?

Mr. CHAMBERLAIN. It does not make us whole, Mr. Congressman. If you will turn to page 18 of that same report, I think the picture will come into clearer focus.

Mr. ADAMS. I have that which puts you both on July 1 of 1969 with the signalmen at \$3.81 and the shopcraft electricians at \$3.83. Then I see a series of increases for the shopcraft people which are part of the dispute they went through, of 10 cents, 5 percent, 7 cents, 4 cents, and 4 cents.

I was trying to translate whether 5 percent, 7 cents, 4 cents, and 4 cents, equaled 5 percent, 30 cents and 4 percent and I could not do that quickly in my head. That is why I am asking you the question.

Mr. CHAMBERLAIN. Before you start translating, let us take a look at the timing of the increases. Now 5 percent on January 1, 1970, added to the \$3.81 would make our rate around \$4. There will be no further increases until November 1.

Mr. ADAMS. That is retroactive to November 1, 1970?

Mr. CHAMBERLAIN. That is right. But look at the difference between the wage rates paid from January 1, 1970, at that rate and compare this with the shopcraft column. You will see there is a considerable wage loss.

Mr. ADAMS. You got 5 percent on \$3.81 and then you got 30 cents by November 1. You were just about there.

You see, we have a bit of a problem here. You are kind of in between two groups here, as you know, and we have a Senate bill that is, I guess, now pending before the committee. Is it not, Mr. Chairman?

The CHAIRMAN. It is before the Senate.

Mr. ADAMS. They have not sent it over?

The CHAIRMAN. No; it has not been passed by the Senate.

Mr. ADAMS. Then I withdraw that.

There is this pending bill but we have this other group that is out. Your feeling is that you are not comparable to them, if you are to get the 5 percent January 1, 30 cents an hour November 1, then a 4 percent April 1.

Mr. CHAMBERLAIN. Mr. Congressman, that type of increase would result in our people losing during that period of time about \$473 from July 1, 1969, through the year 1970 as a result of the timing of the increases. Our people are very concerned about the take-home pay.

Mr. ADAMS. I understand that.

Now you heard me mention to Mr. Hiltz it was proposed by some members of the committee, when we had the last one of these on the floor, that we have a selective strike opportunity offered to some of the unions in order to produce pressure on both sides. Would this in your opinion—you have indicated to Mr. Macdonald that you felt that nothing would happen in the bargaining—would this in your opinion encourage the parties on both sides to bargain?

Mr. CHAMBERLAIN. I think the record shows that the railroad labor group, labor in the transportation field, endorsed the legislation that is now pending for selective strikes.

Mr. ADAMS. I just have one more point. Have you discussed or has there been a discussion either in your mediation efforts this time or elsewhere of your getting into the same opening and closing dates with either the operating crafts or with the shopcrafts?

Mr. CHAMBERLAIN. There has been discussion on it. We have made the statement very clearly that we have no objection at all to having all of the organizations in the industry have a common closing date. We are willing to accept a common closing date. In fact, the negotiations have been on that basis over a 42-month period which would run our contract through June 30, 1973.

Mr. ADAMS. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Harvey.

Mr. HARVEY. I have no questions, Mr. Chairman.

The CHAIRMAN. Mr. Eckhardt.

Mr. ECKHARDT. Mr. Chamberlain, with respect to the questions that Mr. Adams asked you about selective strikes, it would appear that there might be two ways to approach this selective strike thing if a waiting period were put into effect. One would be to provide that after

July 1 your union in the dispute involved here would be free to engage in a selective strike in exactly the times that are provided and within the limitations of H.R. 3595.

Now, I do not want to necessarily ask you or you necessarily to answer whether you would like a waiting period written into law, but if one were written into law would you be in a better position in order to come to an agreement during that waiting period if at the end you would be in a position to engage in a selective strike rather than a nationwide strike?

Mr. CHAMBERLAIN. After the 20 months of waiting the pressure on me from the members require that we take action to bring this issue to a head. Now with respect to what the future may hold, as to what position we would be in by putting that type of provision in a temporary delay, I would have to give that some thought before I could answer it. Selective strike in its present posture is a very complicated issue. It has not been resolved as yet. Since there is controversy among the legal experts I don't think I would give an opinion at this time.

Mr. ECKHARDT. I certainly understand your sensitivity on that point. The other possible approach would be that instead of actually bargaining any type of strike at this time, as the resolution would do, to provide an extension of section 10 of the Labor Act, but the provision that even during the period of extension this should not prohibit a selective strike of any carrier or carriers without a concurrent strike of other carriers, et cetera, using exactly the language of H.R. 3595, section (b) through the end.

In other words, what troubles me is that we are confronted from time to time with the outlawing of a nationwide strike because the Nation just won't accept that. So you really don't have any of these deadline dates that make people come to agreement because everybody knows on both sides that Congress is very likely to prohibit a national strike. But let us suppose you are only prohibited from engaging in a national strike but are permitted to engage in a selective strike with the limitations contained in that bill.

You will recall that the bill does not permit a selective strike of more than three railroads in a region nor more than the total revenue-miles which constitute I think 40 percent of that region. And of course with the provision that the Secretary of Transportation could make certain requirements of hauling essential goods. Now if you could strike in that way it would appear to me that the strike would not be very different from any other strike in the Nation and would not create that catastrophic situation where we have to come in and protect the public interest.

Do you have any view on that point?

Mr. CHAMBERLAIN. I have a lot of views. I know one thing, that the railroad worker has been denied throughout the years the right to strike.

Mr. ECKHARDT. If we should restore that perhaps we could restore vigor to the bargaining table.

Mr. CHAMBERLAIN. That is a possibility, yes.

Mr. ECKHARDT. Thank you.

The CHAIRMAN. Mr. Carter.

Mr. CARTER. Thank you, sir. I reserve my time.

The CHAIRMAN. I think that we have a teller vote. We will have to go because we only have about 5 minutes.

Mr. BLANTON. Could I ask one question?

The CHAIRMAN. Yes, indeed.

Mr. BLANTON. Mr. Chamberlain, we are just getting into this selective strike business. While it is warm on our minds I would like to ask you if this piece of legislation that is before our committee was amended to let the members of the railroad brotherhoods enjoy this privilege or this right, do you feel that this dispute could be brought to a head more quickly?

Mr. CHAMBERLAIN. Was your question that if we have the right to selectively strike that we could perhaps be optimistic about obtaining an agreement?

Mr. BLANTON. Yes.

Mr. CHAMBERLAIN. As I stated before, we are in favor of the legislation that is pending. We support the selective strike theory. If we did not believe that would obtain an agreement we would never have supported it.

Mr. BLANTON. This legislation is not really pending yet.

Mr. CHAMBERLAIN. Well, I am sure it is going to get moving soon.

Mr. BLANTON. No further questions.

Thank you, Mr. Chairman.

The CHAIRMAN. It is a regular vote. I think we can proceed for about 5 minutes.

Dr. Carter, you may proceed if you want to.

Mr. CARTER. Thank you, Mr. Chairman. I have no questions at this time.

The CHAIRMAN. Mr. Helstoski.

Mr. HELSTOSKI. Mr. Chamberlain, is this \$3.78 average based on a 40-hour week?

Mr. CHAMBERLAIN. Yes.

Mr. HELSTOSKI. Are there any regional differentials involved?

Mr. CHAMBERLAIN. As I pointed out in my statement, there is a current rate in the eastern region of \$3.81. In the western and southeastern regions it is \$3.78 and a fraction. Of course that is a request that was in our notice and a question that was resolved in our favor in the Emergency Board report. I think that would be taken care of in the ultimate settlement of this dispute if it ever comes about.

Mr. HELSTOSKI. Is the parity relationship that the Board speaks of within the railroad unions?

Mr. CHAMBERLAIN. Within the signalmen's craft.

Mr. HELSTOSKI. Is there a comparison made with the outside electrical unions?

Mr. CHAMBERLAIN. With the electricians "A" and the signalmen's that is our skilled mechanic, there has always been a relationship with a variance of 2 or 3 cents an hour. For years the record will show we were 2 or 3 cents above them.

Mr. HELSTOSKI. That is all. Thank you, Mr. Chamberlain.

The CHAIRMAN. Mr. Brown. And I think after that we will stop. So you go ahead.

Mr. BROWN. Thank you, Mr. Chairman.

I asked the same question of the management officials who were before us: Would you be willing at this point to accept the Board recommendation, Emergency Board recommendation, as to a settlement of this strike.

Mr. CHAMBERLAIN. The Board recommendation?

Mr. BROWN. The Emergency Board recommendation with reference to the settlement of the strike.

Mr. CHAMBERLAIN. No, sir; that is why we are sitting here.

Mr. BROWN. In view of that refusal and the proposal that has come out of the Senate today, which would establish that as the basis, part of that as a basis for putting you back to work, that then makes the Senate proposal sort of the best offer on that side and makes your request the best offer on your side. Isn't that right?

Mr. CHAMBERLAIN. We had nothing to do with what comes out of the Senate.

Mr. BROWN. What came out of the Senate is the imposition of the Emergency Board recommendations up through the current date, I think up through April 1, and leaving until October 1 the prospect for negotiations for the remaining portions of the dispute. So I would assume that what we have as a result of that is a settlement by the Senate on the basis of the Emergency Board recommendations and time to negotiate the difference between that and your request. Is that the way you see it?

Mr. CHAMBERLAIN. I would hope that that is not going to come out of the Senate. I understood, I have not seen a copy of it, that the amounts that were placed into effect during the period up to April 1 did not preclude us from negotiating a further increase during that period if we could do that.

Mr. BROWN. In other words, what you are suggesting is the Senate recommendations become the floor and your request became I suppose the ceiling for negotiations that would go on now between here and October 1, is that right?

Mr. CHAMBERLAIN. I think you hit the issue right on the head. We have an inequity here that we have to obtain and we are going to obtain it one way or another.

Mr. BROWN. Thank you, Mr. Chairman.

The CHAIRMAN. The committee will stand adjourned until 3 o'clock. We will try to come back then.

(Brief recess.)

The CHAIRMAN. The committee will come to order.

I will start with Mr. Van Deerlin over here with the questioning.

Mr. VAN DEERLIN. There is one question that I am not certain has been answered up or down. That is whether Mr. Chamberlain favors or does not favor the passage of the resolution before us.

The CHAIRMAN. There is a vote, we might as well get on the first round and come back. We will be back here as soon as we can. That should be about 3:30.

I am sorry. Maybe you can think over that question a little bit.

(Brief recess.)

The CHAIRMAN. The committee will come to order. We will continue with the questioning.

Mr. Skubitz, do you have any questions?

Mr. SKUBITZ. Mr. Chamberlain, when negotiations first started is it correct that the signalmen asked for approximately a 54- or 55-percent increase in wages over 36 or 42 months period?

Mr. CHAMBERLAIN. The skilled classifications, the mechanics and above, asked for a 54-percent increase over a period of 3 years.

Mr. SKUBITZ. How much did the railroads offer?

Mr. CHAMBERLAIN. At that time?

Mr. SKUBITZ. Yes.

Mr. CHAMBERLAIN. They offered a 5-percent increase for 1970 and two 4-cent increments, that is, 8 cents in the year 1970. That was the first offer.

Mr. SKUBITZ. Their second offer was 36 percent; is that correct?

Mr. CHAMBERLAIN. Their second offer was 5 percent, and I believe 28 cents for skilled. I think it was 11 cents for the assistants and helpers and then it followed the pattern, the 4 percent on April 1 and 5 percent on October 1, and the two 5's—I'm sorry. Four percent in each of the years 1971 and 1972.

Mr. SKUBITZ. Of course you turned that down?

Mr. CHAMBERLAIN. I sure did.

Mr. SKUBITZ. Then the Mediation Board came forth with a figure of 42 percent, is that correct?

Mr. CHAMBERLAIN. You mean the Emergency Board?

Mr. SKUBITZ. Yes.

Mr. CHAMBERLAIN. They came forth with a report that was 42 percent; yes, sir.

Mr. SKUBITZ. Did the railroads agree to pay the 42 percent?

Mr. CHAMBERLAIN. That 42 percent that the Emergency Board recommended was over 42 months.

Mr. SKUBITZ. Over 42 months?

Mr. CHAMBERLAIN. Yes, sir.

Mr. SKUBITZ. Your figure was 55 percent for how long a period?

Mr. CHAMBERLAIN. It was 54 percent for 3 years. After we got into negotiations we modified our demands and tailored them to cover a 3½ year period.

Mr. SKUBITZ. Then what was your demand percentagewise?

Mr. CHAMBERLAIN. We modified it downward.

Mr. SKUBITZ. To what figure?

Mr. CHAMBERLAIN. Are we going to negotiate the contract here?

Mr. SKUBITZ. No, but I would like to know whether you negotiated anything. You have accused people here of not negotiating in good faith. I am just wondering whether you negotiated in good faith.

Mr. CHAMBERLAIN. I sure did.

Mr. SKUBITZ. Then what is the figure? Did you make a counteroffer?

Mr. CHAMBERLAIN. Yes, we made a counteroffer.

Mr. SKUBITZ. What was it?

Mr. CHAMBERLAIN. Let me check my records a moment, Mr. Skubitz. We made a proposal to them on December 1, 1970, that we would settle this dispute for over a 3-year period for \$5.99 an hour.

Mr. SKUBITZ. That was December 1970?

Mr. CHAMBERLAIN. On December 17, 1970.

Mr. SKUBITZ. What is the date of the Emergency Committee recommendation? Can you tell me? Was that before or after?

Mr. CHAMBERLAIN. That was after.

Mr. SKUBITZ. That was after.

Mr. CHAMBERLAIN. Yes, sir. The Emergency Board proceeding was after that date, yes.

Mr. SKUBITZ. But since the Emergency Board figure you have not budged an inch, is that correct?

Mr. CHAMBERLAIN. I have made three movements downward since the Emergency Board report was issued.

Mr. SKUBITZ. You have made three counter offers, is that correct?

Mr. CHAMBERLAIN. Yes, sir; that is correct.

Mr. SKUBITZ. None of these was acceptable to the railroads?

Mr. CHAMBERLAIN. None of them. They wouldn't even discuss them.

Mr. SKUBITZ. Would you mind telling us what those three offers were percentage-wise?

Mr. CHAMBERLAIN. The offers that we made on the 3d of May, on the 7th of May, and on the 15th of May were designed to cover the 3½-year period. The last offer that was made which was not placed in writing, was given to the Government mediators on May 15 which would realize for the skilled people a rate of pay of \$5.81 at the termination of the contract.

Mr. SKUBITZ. That is a 3-year period?

Mr. CHAMBERLAIN. Three and a half year period.

Mr. SKUBITZ. Can you tell me what that would be percentage-wise?

Mr. CHAMBERLAIN. Would you let me finish the total offer?

Mr. SKUBITZ. Surely.

Mr. CHAMBERLAIN. That was for the skilled mechanics. We offered to dispose of the dispute for the assistants, that is, apprentices and helpers, following the recommendations of the figures both in 178 and 179, which is 42 percent. That is for the apprentices and helpers.

Mr. SKUBITZ. Percentage-wise could you give me what it was for the skilled workers?

Mr. CHAMBERLAIN. 51.8 percent.

Mr. SKUBITZ. You dropped from 54 or 55—

Mr. CHAMBERLAIN. No; I did not. Wait a minute. Let us talk about the same thing. The 54 percent initially was over a 3-year period. Now 51 percent over a 3½-year period is a decided difference.

Mr. SKUBITZ. I get you. And the company made no counteroffer?

Mr. CHAMBERLAIN. They did not. They would not even discuss it. That was the third offer. I made movements down to that point.

The CHAIRMAN. Mr. Van Deerlin, you may complete your question. You may receive an answer.

Mr. VAN DEERLIN. Do you remember the question I asked earlier?

Mr. CHAMBERLAIN. The answer is "No."

Mr. BROWN. What was the question?

Mr. CHAMBERLAIN. The question was are we in favor of the joint resolution that is before this committee. The answer is "No."

Mr. VAN DEERLIN. Are you in favor of what is understood to be the Senate version of the joint resolution, Mr. Chamberlain?

Mr. CHAMBERLAIN. I would have to read that but I would say if we are in favor of anything it is delay with money, with the right to strike selectively.

Mr. VAN DEERLIN. I believe that would make your answer to the Senate version no, also, then, would it not? The right to strike selectively is not spelled out in the Senate resolution.

Mr. ADAMS. Would the gentleman yield? The Senate version is 5 percent January 1, 1970, 30 cents November 1, 1970, and 4 percent April 1, 1971. What was your answer to that?

Mr. VAN DEERLIN. If it included the right to strike selectively he would favor a delay with money.

Mr. ADAMS. Thank you, Mr. Van Deerlin.

Mr. VAN DEERLIN. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Kuykendall.

Mr. KUYKENDALL. Mr. Chamberlain, I am sure you are not happy to be here as we are unhappy to be here.

Mr. CHAMBERLAIN. I sure am not.

Mr. KUYKENDALL. You have only one union to worry about. We seem to get them all at one time or another, so far as the railroads are concerned. The last time in December there was a misunderstanding on a quotation reported by the media which came through in the media as an inequity that had to be corrected.

I would like to give you an opportunity to clarify something which I think you will.

If this body is forced to pass a law it will be accepted by you, is that correct?

Mr. CHAMBERLAIN. If you will check the record and you check my testimony before the Senate yesterday, I have been publicly stated many times that I would never advocate defiance of any law.

Mr. KUYKENDALL. I know this is true. I knew that is what you said yesterday. But it might have come through a little differently this morning and I did want to correct this. I had no doubt that you wanted to, also. So for the sake of the record, I did. Now I think that we all must realize that with the possible exception of the decision that is up before the court concerning selective strikes and this whole area of the possibility of selective strikes, I don't think there is any member who doubts for one moment that as far as a national transportation strike is concerned, that it just is not going to happen. Do you agree with that?

Mr. CHAMBERLAIN. Well, we are in one now.

Mr. KUYKENDALL. I am talking about one that is longer than a few hours. There is not a person here in the Congress that I know of, not in this committee at least, that is willing to let this country suffer the consequences of a 2 or 3 week transportation strike. I am sure you are aware of that.

Mr. CHAMBERLAIN. I am aware of that.

Mr. KUYKENDALL. So let me point out something that in answer to one of Mr. Skubit's questions I think you expressed the sentiment of a bunch of us when all of a sudden you found yourself talking to us about terms that should not even be discussed except in collective bargaining, just a few moments ago. Didn't you?

Mr. CHAMBERLAIN. That is correct.

Mr. KUYKENDALL. You automatically resented it because it was wrong to be discussing it here?

Mr. CHAMBERLAIN. That is right.

Mr. KUYKENDALL. Now this is the way we feel, too. I think all of us feel this way. This is the kind of quandary we are in. Because of what we did in December probably going to pass something that has part of a settlement in it.

If I were sitting in your shoes I have no idea how I would feel about having a partial settlement thrown at me. In one way I would say I had a partial victory and in another way I might say wait a minute, maybe I am not so lucky after all in having a partial settlement thrown at me.

How would you feel about that?

Mr. CHAMBERLAIN. I would have been for a voluntary agreement since we served notice in October 1969, and the record shows we moved toward that end. It takes two sides to tangle, though.

Mr. KUYKENDALL. Mr. Chamberlain, how will we ever—to use the term Secretary Wirtz used—bargain to finality?

How are we ever going to get a system that has equality to both parties. Now I think I understand a little bit from talking to my friends in railroad labor why when you get down to the real technical aspects of work rules and so forth, which are not deeply involved here, that my friends in railroad labor say that no panel can quite understand that, so one of the gentlemen last December said he never had seen a panel that he would really agree with.

Do you think it is possible to get a totally unbiased, acceptable panel to be the jury in the case of labor disputes?

Mr. CHAMBERLAIN. It is difficult in railroad labor disputes. That has been our experience.

Mr. KUYKENDALL. Can you think of any possible alternative that would be—let us put it this way—equally undesirable to both sides?

It seems every time there has been a panel or a study, they will make a recommendation and one side or the other, and it seems it is unvariably management, says we will accept the results of the study and labor says we will not, in fact the five I have been a part of have all been exactly the same way. I don't think all the tolerance is on one side, I don't think all the brains are on one side, I don't think all the understanding is on one side. But I find it difficult, every time a panel has been appointed by both liberal and conservative Republican and Democrat, Secretary Wirtz, Secretary Shultz, Secretary Hodges, every single time it has been labor that has not been willing to accept the proposition which has been proposed by the panel.

Now there has to be a reason for this other than intractability. I would like you to tell me what you think it is.

Mr. CHAMBERLAIN. I can tell you the reason that it is not accepted by labor. All you have to do is look at the end results, and the wage rates that exist today. If that does not speak for itself I don't know what to tell you.

Mr. VAN DEERLIN (presiding). Mr. Pickle.

Mr. PICKLE. Thank you, Mr. Chairman.

Mr. Chamberlain, though there have been several suggestions of approaches or possible amendments that the committee might consider later, it seems to me that we might be faced with the choice of the measure as passed by the Senate or the joint resolution which is a postponement.

Now if we are faced with those alternatives, could you live with either one? Would you be agreeable to either one, or which would you prefer least or most?

Mr. CHAMBERLAIN. That is a difficult choice.

Mr. PICKLE. Is that your answer?

Mr. CHAMBERLAIN. I am thinking.

You see, I am faced with the problem of a union which has been subjected to some very severe economic pressures at a substandard wage rate of pay and, believe me, when they let you know how they feel, money is a real important issue. If that is the situation that we are confronted with, either one or the other, the Senate version I think would be more palatable in view of that economic problem.

Mr. PICKLE. If the committee were to choose the other alternative, which often happens in this process of legislation do you feel that your group with the 6 weeks provided could come to an accord with the management?

Mr. CHAMBERLAIN. I am not a bit optimistic that we could.

Mr. PICKLE. Are you prepared to say that you would consider different proposals or are you set in concrete on your side?

Mr. CHAMBERLAIN. I don't think anybody can accuse us of sitting in concrete. We have been moving all the time. Our position has been one of movement. The concrete is on the other side.

Mr. PICKLE. I can only ask you the question since you are before us now. If we did grant a straight postponement would your organization in good faith enter into further negotiation and do you think there is a chance of reaching an agreement?

Mr. CHAMBERLAIN. We will try anything. We have been trying. We have been sitting here for 3 weeks trying to get an agreement. I would like to relate the record as to what has happened with respect to sincere negotiating.

I happen to live in Chicago, Mr. Congressman. During this crucial period I went home for 2 days because there was nothing to do because the carriers wouldn't talk, they would not budge from their offer; facing a crisis. So I have to be honest with you and say I am very pessimistic with that type of attitude that presently prevails on the other side.

Mr. PICKLE. I hear by way of general rumor that the administration has said that they could live with and they would agree with the bill as passed by the Senate. Have you heard that?

Mr. CHAMBERLAIN. I have heard that; yes.

Mr. PICKLE. Do you know whether this is a fact?

Mr. CHAMBERLAIN. No; I don't know.

Mr. PICKLE. In either event, as between the two proposals you would rather have the Senate version than a straight postponement?

Mr. CHAMBERLAIN. I have answered that. Yes.

The CHAIRMAN. Thank you.

Mr. Thompson.

Mr. THOMPSON. No questions, Mr. Chairman.

The CHAIRMAN. Mr. Murphy?

Mr. MURPHY. No questions, Mr. Chairman.

The CHAIRMAN. Mr. Hastings.

Mr. HASTINGS. No questions, Mr. Chairman.

The CHAIRMAN. Mr. Eckhardt?

Mr. ECKHARDT. No questions, Mr. Chairman.

The CHAIRMAN. Mr. Shoup.

Mr. SHOUP. No questions.

The CHAIRMAN. Mr. Helstoski.

Mr. HELSTOSKI. No questions, Mr. Chairman.

The CHAIRMAN. That is fine. We are going to be able to get into executive session when we come back from our meeting.

The hearing is adjourned.

(Whereupon, at 3:55 p.m. the committee adjourned.)



It is a very common mistake to suppose that the
theology of the Bible is the same as the
theology of the Church. The Bible is a book
of many different kinds of writing, and the
theology of the Bible is the theology of all
these different kinds of writing. The theology
of the Church is the theology of the Church,
and it is not the same as the theology of
the Bible. The Bible is a book of many
different kinds of writing, and the theology
of the Bible is the theology of all these
different kinds of writing. The theology of
the Church is the theology of the Church,
and it is not the same as the theology of
the Bible.

