

employees increased from \$2.62 per hour to \$2.90 per hour with an average annual increase of 3.4 percent. During that period the average straight-time hourly earnings of production workers in durable goods industries increased from \$2.59 to \$2.81 an hour with an average annual increase of 2.8 percent.

During the same December to December three-year period the Consumer Price Index increased at an average annual rate of 2.1 percent (1.1 percent in 1963-64; 2.0 percent in 1964-65; 3.3 percent in 1965-66).

To us this record means that the real earnings of the shopcraft employees have increased during this period at a rate greater than that for workers generally in the economy. Even if the Consumer Price Index goes up as much as another 2.5 percent during 1967, the shopcraft employees—given a 5 percent general wage increase—will nevertheless still achieve substantial gains in real earnings.

It is unnecessary to deal further with the problem of real wages since the Board limits its recommendation to a two-year contract with a reopener for general wages at the end of the first year. The organizations would prefer a longer term; the carriers would prefer to continue the one-year 1967 pattern, stressing the existence of economic uncertainties.

We refrain from recommending a fixed agreement of longer duration not because of uncertainties in the current economic indicators, but because it may be wise to reexamine the issue of general wage rates as steps are being taken to remedy the larger problem of wage compression.

The general wage increases would be effective as of January 1, 1967.

Since the organizations and the carriers will be free to reassess their respective interests as and when the actual results for 1967 become available, we need not now consider the troublesome request for an arrangement which would automatically tie wage rates to changes in the Consumer Price Index.

VI. THE WAGE COMPRESSION OF SKILLED SHOPCRAFT EMPLOYEES

For thirty years the unions have insisted on uniform cents-per-hour wage increases for all shopcraft employees. The result has been to compress severely the wage differentials between skilled and unskilled shopcraft employees and to widen the wage disparity between skilled workers in railroad shops and skilled workers in other indus-