

This so-called compression, that is, the inequity—I might term it an internal inequity—between the unskilled, the partially skilled, and the skilled, is something that is due entirely to the fact that for 30 years the unions have insisted that all wage settlements be what we call horizontal settlements, that is, cents per hour increases.

We knew and they knew that if we continued the horizontal increases rather than percentage increases, the end result was inevitable, that there would be a compression in the basic rates as between the unskilled and the skilled employees.

On the basis of the record in that respect, the Emergency Board said:

For 30 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 industries. Both parties agree that there is a serious wage compression, and that it cannot be corrected in a single step.

We do not question that. We realize that the persistence on the part of the unions in urging the across-the-board cents per hour increases brought about compression. We are willing to work that out. But it can't be done over night, and the union did not argue that it be done over night.

They realize it takes time to correct inequities of that nature.

The record in this case discloses things that are absolutely amazing to people who have engaged in the field, have been engaged in the field, of collective bargaining for many years. It reveals a situation where the unions argue for certain things and the Board recommended the exact things the unions argued for, and then the unions rejected those recommendations in their entirety.

As a matter of fact, they would not even discuss them.

Gentlemen, there are many terms, many connotations to the phrase "good faith collective bargaining". If that is good faith bargaining, I have just about had all I want of that kind of bargaining.

It does not bear the slightest resemblance to bargaining, and it does not even remotely represent good faith.

Turning now to the President's proposal now identified as House Joint Resolution 559, when we first had knowledge of what the President had proposed we immediately issued a press release. It is brief. With your permission, Mr. Chairman, I would like to read it into the record.

It is very brief.

The CHAIRMAN. Very well.

Mr. WOLFE (reading):

The President's proposal will settle this particular case, but it will not prevent a similar crisis in the railroad industry any time a union refuses to bargain in good faith. We still think the law should be amended to prevent crises like this one from arising in the future, and we will vigorously pursue our efforts to attain this essential objective which obviously has great public support. However, we will not oppose the proposal of the President in this case.

In this respect, gentlemen, the railroad industry, as you all are aware, had finally, long last, reached the conclusion that section 10 of the Railway Labor Act was no longer producing the result that was intended when the Railway Labor Act was amended.

We felt, and we urged, that section 10 be amended so that some kind of finality is assured and thus prevent a return to Congress under