

Mr. WOLFE. I want to say it exactly the way I said it before, Mr. Chairman.

The CHAIRMAN. All right, go ahead.

Mr. WOLFE. Wherever there are inequities they ought to be corrected, whether they are too high or too low. If a rate is too high we are perfectly willing to establish an incumbent rate so that the individual who is on the job will not lose.

But if the rate is too high, a new entrant should accept the job at a rate that is commensurate with his duties and responsibilities.

We have told everyone we are willing to do that. That means that if they are underpaid now based on their skills and responsibilities, then over a reasonable period of years it would be corrected.

But the person who is overpaid, we do not expect to take anything away from. Only a new employee would come in at the proper rate. I can't figure out how you could be more fair.

The CHAIRMAN. You said you have not put this into certain amounts but you are willing to close this gap over a period of years. You don't say how many years or how it is going to be done.

Mr. WOLFE. I don't believe, Mr. Chairman, that that can be done and permanently correct the inequities without a determination as to relative skills.

The CHAIRMAN. Now I want to ask you about this.

Today there is a meeting between some of the Government agencies and some of the representatives of the unions as to whether they can work out a union proposal to carry defense and health cargo without disrupting too much the defense effort and also the health of the Nation.

Would you care to comment on this proposal?

Mr. WOLFE. I will, to the best of my ability.

I have been away from operating for a long, long time. I was an operating officer at one time.

Yesterday, Mr. Tom Rice, president of the Atlantic Coast Line, testified before the Senate committee. Today, Mr. Grenshaw, president of the Pennsylvania Railroad, will testify, and later, Mr. Lambritt, operating vice president of the Southern Pacific, will also testify before the Senate committee.

I read the testimony of Mr. Rice, the transcript, early this morning. I think he, in a most persuasive and clear manner, described all those difficulties.

The CHAIRMAN. Would you give us the answer you gave to the Senate?

Mr. WOLFE. Yes; I will. I do not think it is feasible. I think that in the first place the delays that could not possibly be avoided would completely defeat the plan. I do not think it could be worked out at all except under governmental supervision.

There would have to be someone to decide what is essential and what is not essential. There are operating problems that, in my opinion, defy a solution.

In the first place, there is the movement of empties, there is the congested yard, the greater amount of switching to switch out a car that is loaded with essential material from cars that are nonessential.

There is the question of the interchanging of cars from one railroad to another, and the inspection of commodities at those points to make a judgment as to the essential and the nonessential.