

Mr. NELSEN. Mr. Springer mentioned that labor and management were close together in this dispute. I want to be sure I understand the President's proposal.

It is my understanding that after these Panels are set up in a specified number of days there would be hearings where both sides will be heard. Isn't it true that the Panel might very likely come up with a recommendation that the railroads abide by the request of labor? This is a chance you take, do you not?

Mr. WOLFE. Yes, sir.

Mr. NELSEN. If the Panel were to say that you must abide by the request of the unions, you would have to do it, take this commendation for a period of 2 years; is that right?

Mr. WOLFE. That is correct.

Mr. NELSEN. So you have reason to fear what might happen by going through this Panel, do you not?

Mr. WOLFE. We have very grave reason for apprehension.

Mr. NELSEN. The machinists from my State indicated to me that their level of pay was far below the level of pay in other competing industries within our State. In your job evaluation process, has that been taken into account, the various crafts within organized labor, so that there is some adjustment in those cases?

Mr. WOLFE. Yes. We have given that very careful consideration, Mr. Nelsen, and so did the Emergency Board. If there is a job evaluation study, which I firmly believe is the only permanent remedy, you can rest assured whatever the result is, if it discloses that certain of our mechanics are underpaid, and a recommendation is made that the rates be increased to a certain level, the carriers will accept it.

Mr. NELSEN. Mr. Chairman, may I yield my further time to Mr. Brown?

Mr. BROWN. I will be happy to yield to Mr. Springer, since I think I know what the point is.

Mr. SPRINGER. I thank both of the gentlemen for yielding to me on this point.

I was under the impression, after listening to the Secretary of Labor the other day, that these people were quite close together, 3 cents. According to the testimony given by Mr. Wolfe as of this morning, they are indeed far apart. The difference between the first year of \$30 million to \$70 million, and for the second year between \$60 million and \$130 million.

There is the difference between an offer of 5 percent for 1 year and escrow for the inequities, and an offer on the other part, as I understand it, of 6½ percent the first year and 12½ cents, the second year 5 percent and 12½ cents.

We can certainly ask the brotherhood when they come tomorrow, but it is approximately 5 percent on one side and the inequity, and 19 cents. Am I correct?

Mr. WOLFE. You certainly are.

Mr. SPRINGER. I want to ask them if this is their position, relatively, compared to what Mr. Wolfe said today.

Apparently the Secretary of Labor either misunderstood the statement at the White House or he misunderstood the other day here in testifying. I would guess they are 14 or 15 cents apart, if Mr. Wolfe's testimony can be accepted as true.

Maybe we will come up with a different opinion tomorrow. But these parties are not even beginning to get close. There is a variation be-