

Mr. SPRINGER. Now I want to come to the eighth one which is, as I understand it, the increase in basic rates or what is called straight time. This is the big issue, is that correct?

Mr. LEIGHTY. That is one of the items. I think there are two big issues. That is one big issue, and then this skill differential is the other big issue. I believe that the shopcraft individuals or organizations feel that one is of equal importance with the other because the one is for the purpose of attempting to keep wage rates up to the increases that have been received in industry generally while the other is to correct an inequity that has grown in the skilled employees wages.

Mr. SPRINGER. I want to read, if I may, from a release which was made by the Special Panel appointed by the President in the railroad shopcraft-carrier dispute. This was released from the White House on April 22. It was the report of the Special Panel.

I want to read this. I want to get your comments.

Indeed, it is our considered judgment that if the duration and size of the general wage rate increase expressed in percentage terms could be resolved, the amount of the adjustment to correct the wage inequity could readily be resolved. Our mediation has, of course, concerned the issues in the dispute as a whole, but the most intractable problem now concerns, 1, the duration of the agreement; and, second, the amount of the general wage increase.

Would you agree with that statement?

Mr. LEIGHTY. Yes. I wouldn't quarrel with that statement.

Mr. SPRINGER. In other words, these are the two real basic things on which there is a difference. You think the others probably could be resolved if these two things could be resolved?

Mr. LEIGHTY. I think the skill differential—the general wage increase, the skill differential and the duration of the contract. But the general increase and the duration all go together. Both of them go together. Here is the situation with respect to the shopcrafts.

This is May of this year. Any increase they receive should be effective as of January 1, 1967. You have practically a third or a half of the year gone. If you only have a 1-year contract or an 18-month contract, you will have to get back into negotiations again before the ink is dry on this contract.

In serving notices, you have to serve them originally on the original railroad and there has to be negotiation on that level first.

Mr. SPRINGER. You would have to serve that notice on November 1, 1967, is that right, under a 1-year agreement?

Mr. LEIGHTY. September 1 is the date that has been agreed to by these organizations and the carriers that have settled on the 1-year contract.

Mr. SPRINGER. Just the one further point. It is my understanding that thus far the railroads have made an offer of 5 percent plus a job evaluation study. Is that their offer as you understand it?

Mr. LEIGHTY. I think that was their offer at one time. They have indicated since that time that they would give consideration—it wasn't an offer—but they indicated they would give consideration to the 6 percent and on skilled shift differential they might make a slight downpayment, but there would have to be job evaluation.

Job evaluation is a very important issue, and the skilled differential, of course.

Mr. SPRINGER. You have not agreed on the amount to go into escrow in that instance?