That, it seems to me, defeats the whole purpose of seizure, because the net result is that although during the period of seizure the employees are nominally working for government account, in the end all the profits of that operation, at rates which the employees are unwilling to accept, do accrue to the private corporations.

So what I consider the major objective of seizure is defeated by that process.

A different approach has been suggested. It was contained in Senator Morse's bill last year, Senate Joint Resolution 180. There he provided for the determination of just compensation, taking into consideration the fact that the airlines wouldn't have been operating at all if it hadn't been for Government intervention.

That seems to me to be a sound approach. When it comes to determining just compensation you cannot start with the assumption that the carriers are entitled to compensation as though nothing had happened. There is no profit in a struck railroad, and they should not be compensated as though there was no threat of interruption to their operations.

This same approach is embodied in House Joint Resolution 585, and I think it is the only sound approach to any consideration of seizure.

Details may differ, but the important thing is the principle that compensation should be determined in light of the fact that there would have been very heavy losses and no profits incurred by the railroads if Congress had not stepped in.

That, Mr. Chairman, concludes my statement.

The CHAIRMAN. Thank you very kindly, Mr. Schoene. I have one question that I would like to ask you.

What is to prohibit a small group of railroads being struck, say six across the land, for instance?

Mr. SCHOENE. I really don't know the answer to that question, Mr. Chairman. I thought before the district court decision in the *Brotherhood of Railroad Trainmen* case that I adverted to concerning the national handling— I thought, before the district court decision in that case was made, that the answer would be nothing is to prevent it.

In view of that decision—which I expect will be reversed by the court of Appeals—it hasn't been decided by the court of appeals yet—I think very likely that if the shopcrafts were now to strike some of the railroads, the right to do so would be legally challenged. I think they would probably ultimately prevail against such a challenge, but very definitely the possibility is there.

There is also a very serious practical problem about that. Mr. Leighty testified on this subject. The carriers, for strategic reasons related to just this possibility, make it a point to serve some pretty horrendous counterproposals whenever the unions make a proposal. When the time comes for self-help, if the unions were to strike, say, a half dozen railroads, undoubtedly the carriers would put their counterproposals into effect on all the other railroads and thereby force the spreading of the strike, or else force the employees to live under the working conditions imposed by the counterproposals until they could, in turn, reach those railroads and strike them individually.

The CHAIRMAN. You referred to Public Law 88–108 and talked of what the courts had done. I would like to call your attention to the