

The second proposal that I have heard mentioned is some sort of seizure by the Government under which operations would be continued. As a permanent measure, this does not seem to me to offer a reasonable solution for it provides no means of settling the dispute that led to the seizure.

In addition, seizure is one sided in that all the pressures are brought to bear against management. Railroads are deprived of control of their properties and the only way in which they can get back that control is by reaching a settlement. This would merely tend to make the position of the unions more adamant and unyielding.

The employees, on the other hand, would probably lose nothing except the immediate availability of the increase in their wages because of the practice of making settlements retroactive.

In addition, most of the seizure proposals that have come to my attention contain a provision that makes it even more one sided against the railroads. The provision I refer to is one that says in determining just compensation to the owners of the carriers, due consideration should be given to the fact that the United States took possession of the carrier when its operation had been interrupted by a work stoppage or that a work stoppage was imminent.

In my judgment, such a proposal is like placing a loaded gun at the head of the carriers and the public. The purpose of such legislation is to compel capitulation on the part of the carriers to the unreasonable demands of the unions. A settlement brought about in this way would not be a settlement in the public interest.

A settlement in the public interest means a fair and just settlement, not just a settlement. Sight should not be lost of the fact that the shippers and the patrons of the services of the railroads are the ones who, in the long run, will bear the cost of a settlement if the railroad industry is to remain solvent.

The third approach to this problem is to provide for a binding determination by a neutral board appointed by the President of the United States after collective bargaining has failed to achieve a settlement. Preferably, I think this should be provided for on a permanent basis so as to avoid laying these problems in the doorstep of Congress repeatedly.

In our judgment, such a provision of law would not interfere or hinder free collective bargaining but, rather, it would encourage it. We are satisfied that if at the end of the road the parties know that failure of collective bargaining will result in a third party making a decision that will be binding upon them, they will go to greater lengths to achieve a settlement through collective bargaining.

If such a permanent provision of law is not in the picture at this late date, I feel that the proposal represented by House Joint Resolution 559 offers the most reasonable solution of the various alternatives presented to the Congress.

Before concluding, I want to address myself to what appears to me to be a patient misconception by the railroad brotherhoods of the President's proposal and of any proposal that calls for a fair and equitable determination by a neutral board when collective bargaining has failed.

The union representatives take the position that this is one-sided in favor of the railroads. A binding determination by a neutral board can be just as distasteful in result for railroad management as for the