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the prospects for
railroad labor.

Two addresses from the
Conference held June 25, 1960.

Berkeley, 1960.

Conference: THE FUTURE OF THE RAILROAD INDUSTRY

by

GEORGE H. HILDEBRAND . —

and

THE PROSPECTS FOR RAILROAD LABOR

by

S. C. PHILLIPS .

Two addresses from the conference on

THE PROSPECTS FOR RAILROAD LABOR

June 25, 1960, Berkeley, California

INSTITUTE OF INDUSTRIAL RELATIONS

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FOREWORD

Few American industries are faced with greater problems than are the nation's railroads. In view of the mounting concern over employment and labor-management relations in the industry, the Institute of Industrial Relations on the Berkeley campus recently sponsored a conference for members of all railroad unions, on "The Prospects for Railroad Labor."

At the conference, over a hundred railroad workers from a wide variety of crafts met to discuss their common problems. The day's meeting included a question-and-answer period on the Landrum-Griffin Act, a review of state and federal legislation affecting railroad workers, and, in the two principal addresses of the morning session, a discussion of the long-range problems of the industry, and of the stake that labor, management and the public all have in a healthy railroad system.

In response to a number of requests, the Institute has now made available the text of these two principal addresses. It is hoped that they will contribute to a better understanding of railroad labor's present position, and its future prospects.

ARTHUR M. ROSS, Director
Institute of Industrial Relations
University of California
Berkeley

THE FUTURE OF THE RAILROAD INDUSTRY

by

George H. Hildebrand
Professor of Economics
University of California

Gentlemen: I feel specially privileged to talk to you today, for two reasons. First, my grandfather was a railroad conductor. Through him I gained an affection for railroads and for railroad men, and a keen interest in the industry. Second, as an economist I feel very strongly about the present plight of the railroads. They are vitally important to national defense and to a healthy economy. In no other great nation have the railroads been so shamefully neglected, for everywhere outside the United States their vital importance has long been recognized and deliberately promoted by national policy.

The railroads in America today are partly victims of their own past. Fifty years ago they enjoyed a virtual monopoly in land transport. Great financial empires were built around them. Many injustices were committed by the exercise of financial and monopoly power, and public feeling to this very day is shaped by the memory of those distant times. We continue to treat our railroads as an industry apart, under the illusion that they are rich and powerful beyond dreaming. At the same time, the American people have a keen enthusiasm for progress. They favor technological change. This sentiment has led to a host of policies to favor the newer competitors of the railroads: trucks, airlines, pipelines, and barges. To many there exists the illusion that railroads are backward and obsolete, destined to complete replacement by newer carriers. Nothing could be more false, and

few ideas more dangerous to a sound and progressive economy. But the sentiment continues to prevail, and it is successfully exploited by lobbyists for the newer carriers. Thus, the greatest task of the railroads is to achieve a change in the public mind, so that they can obtain a badly needed and easily justified new deal from government.

Railroad management is not wholly blameless for the roads' plight. It has been slow to meet the new competition even where it has inherent advantages in costs and service. It has approached its problems of collective bargaining in a mood of total war, resorting to the public slogan of "featherbedding," instead of attempting to work out quiet piecemeal solutions to problems of labor costs. There's no denying the fact that the railroads are a very old industry. Their thinking is set in tradition, but the old ideas will no longer work.

Yet, to be fair we must recognize that, despite this traditionalism which runs through industry-thinking and through government policies toward railroad transportation, a great amount of technical progress has been achieved, extending over many years. Since 1921, ton-mile product per freight car has more than doubled; per locomotive it has risen 3.5:1; while revenue traffic units per employee and per man-hour have advanced about 3:1. Behind these figures lie longer and faster trains, better traffic control, better locomotive utilization, larger and better adapted equipment, modern classification yards, and many other things. At the technological level, the railroad industry is progressive, but the public has yet to realize it. Moreover, technical progress, like better wages and more employment opportunities, depends heavily upon adequate earning power. It rests equally upon a revision of public policies toward railroad transportation.

The future can only be gauged by reference to past trends and to the

present position of the railroad industry. Permit me to consider informally these two points.

I. Past Trends

Traffic: The railroads share of total traffic has been falling, relative to that of the other carriers. In absolute figures, their total share has remained stagnant.

In 1948,

<u>Ton-miles</u>	<u>carried were (in billions)</u>	<u>Per cent of total traffic</u>
Railroads	647.0	61.9
Common carrier trucks	42.6	4.1
Other, about	350.0	34.0

In 1956,

Railroads	655.9 (equal to 1951)	48.2
Common carrier trucks	74.6	5.5
Other	630.0	46.3

Earnings and net return on investment after depreciation: In 1949, the net return on investment was \$686 million; in 1958, it was \$762 million. In terms of rate of return, the 1949 figure was 2.88 per cent; in 1958, it was 2.76 per cent. Of course, this latter figure is for a recession year, but the average rate of return has been between 3 and slightly over 4 per cent throughout the past ten years.

Capital outlays have been running at about \$1 billion a year, while the estimated needs have run up to \$2 billion per year. Factors accounting for this lag include: weakness of the rate of return; inability to compete for outside funds to improve equipment; and dependence upon internal funds.

Wages and employment: In 1940, the average number of employees was 1.0 million; by 1945, it was 1.4 million; by 1958, it had fallen to 840,000, and is still lower today. For these employees, the average straight-time

hourly earnings have moved from \$0.77 in 1940 to \$0.97 in 1945, to \$2.61 in 1958. Taken alone, these figures compare favorably with those in other industries, but they overlook the problem of short-time earnings: pay lost on account of lay-offs, expenses away from home, and so forth. In any case, hourly pay of railroad workers has clearly declined relative to that paid in other industries, since the nineteenth century height when railroaders were known as the "aristocrats of labor."

The trends in public policy: (1) Expenditures for competing agencies providing domestic transportation: Before 1955, government at all levels had spent \$101 billion, of which \$20 billion was federal. None of this went to the railroads. In 1959, the total was \$11.6 billion for that year alone, of which \$4.0 billion was federal. None of this went to the railroads.

(2) Regulatory policy continues to reflect old ideas. The fair-shares concept of rate regulation has injured the railroads in areas where they have a competitive advantage. By contrast with the special treatment meted out to private carriers, the railroads have been regulated in detail, as to rates, service, and financial policies.

II. Basic Elements of the Present Problem

By now I hope you realize that the problem is complex, has many origins, and admits of no easy solution. These seem to me to be its major elements:

- a. The failure of total traffic volume to grow for some years.
- b. The declining share of the railroads in intercity freight traffic, and more so in revenues expended by shippers, through loss of high-value loads, especially manufactures.
- c. The failure to penetrate or to hold important types of traffic -- petroleum, tobacco, canned goods, iron and steel, wheat. In some ways these losses have been due to better substitutes; but in many others to

uneconomic diversion and public policies: exemption from property taxes, low-cost government capital, inadequate user charges; and until recently, freight tax. Other policies that have handicapped the railroads have included the fair-shares doctrine; long delays in administration; and restrictions upon legitimate rate reductions.

d. Unremunerative and costly commuter services, especially in the east.

e. High terminal and yard expense, especially in the east.

f. Depressed earning power, inability to obtain adequate capital either from within or without -- checks on the ability to grow, and to modernize.

III. The Future of the Railroad Industry in the United States

Basically, if our railroads are to have a prosperous future, there must be changes: in public thinking and government policy, and in the thinking of railroad management and labor.

Public policy: What is needed is an abandonment of over-regulation on traditional theories of monopoly and of destructive competition. All common carriers need the same break, for the private and exempt ones are running away with the business. There is need for more neutrality of government toward all agencies of transport: (1) equal treatment on taxes (2) full user charges (3) freedom of roads to compete so long as rates are compensatory and not arbitrarily discriminatory; and an end of "fair-shares" protectionism. We must let competition work, and allow relative costs to allocate traffic. Other steps that would help are (4) integration of overlapping agencies, and (5) more mergers, and route arrangements between parallel roads.

The field of management: Here, too, there is need for change. Management should abandon the doctrine of general rate increases, and cut rates

selectively, orienting them to costs; revise its services for shorter, faster, more frequent freight trains. It should prosecute sound mergers and consolidations, to cut duplication and managerial overhead. It can center its efforts on hauls of over 250 miles, gain freedom to integrate with trucks on short-hauls, and increase its piggy-back operations.

It must also try to formulate a new stance in collective bargaining, to accommodate increased employee efficiency with humane considerations in layoffs and job losses. Railroad management would do better to give less attention to bargaining with the public, and more to constructive solutions. It must try to shift the unfavorable public image of the railroads, by new approaches.

The field of organized labor: New approaches are extremely difficult when jobs are in attrition. But employment will continue to fall unless the industry itself can grow. To grow it must make its costs more competitive.

I do not accept the dogma of featherbedding, or the aspersions against railroad workers and their unions. But I do suggest that it is futile to try to protect jobs by clinging to past traditions. I suggest that collective bargaining ought to stress more the discovery of constructive ways to revise costly practices in a manner consistent with long-run employee interests. Not "summit meetings," but quiet study by specialists, working for a compromise between the two equities of management and labor, are needed.

The railroad industry is in a state of crisis. But we need not be too gloomy. Crises have a beneficial effect, because they compel men to create new ideas, to give up the outworn doctrines of the past. Railroad managements and unions can do much for themselves by joining hands to see how they can provide for their mutual survival. One of their immediate tasks is to put their own house in order. Another is to join forces to help achieve a new,

and a fairer deal from government. It is vital that they do so. The railroads largely built the American economy. They will always be the chief means of low-cost, high-volume, long distance freight transportation. The American people have a vital interest in a prosperous and growing railroad industry. The great task of the future is to get this message across.

THE PROSPECTS FOR RAILROAD LABOR

by

S. C. PHILLIPS
Assistant President
Brotherhood of Locomotive Firemen & Enginemen
Cleveland, Ohio

Mr. Chairman, honored guests and friends. I am about to read a series of statements I have prepared for this occasion. I am completely responsible for their contents since they are of my own making.

In February of 1957, I submitted a paper at the Michigan University Railroad Seminar at Ann Arbor, Michigan, captioned, "Railroad Labor -- Its Future." You will note the subject then covered and the one assigned me today are very similar, and so you will know what I said then in this connection as compared to my present views in this regard. I shall read from a portion of the University of Michigan text, following which I will endeavor to give you the benefit of my current observations.

In February, 1957, I said, in part, the following at the Michigan University Railroad Seminar:

Early this month, I attended a joint management-labor conference at Cleveland, Ohio, on the subject of "Automation." One thought was driven home as I listened to the various speakers, namely, that the railroad industry is a leader in this field. "Automation" and its less spectacular cousin "Technology" are working on the railroads of this country and have been there for a long time.

As an officer of the Brotherhood of Locomotive Firemen and Enginemen, I was happy to find this support for an impression which I have held for

several years. We have watched the progressive attitude of the railroad industry toward plant improvement and it is important in the plans of railroad labor.

During the years between the two world wars, we saw very little effort on the part of the railroads to keep pace with changes in other industry. Relatively, the position of railroad labor was somewhat equally inactive. The men who had been called "the aristocrats of labor" were run around, economically, by newly organized workers in other booming industries.

Now, in 1957, railroad labor may be said to have two general objectives -- two courses of action, which are signposts pointing toward their future. First, will be to close the economic gap which developed during the 1920's, 30's and early 40's. The second will be to keep labor's position keyed to worker productivity in the railroad industry.

Success of such a program, of course, assumes that the industry will utilize its worker productivity by maintaining a business pace similar to that of the rest of the economy.

In the long range, the goals of railroad labor are quite similar to the goals set by other workers. These are difficult to state in terms of dollars and cents, for the reason that costs will be relative to the conditions prevailing in our economy as the objectives are attained.

Wages may be expected to increase. We are all looking forward to a national economy in which more goods and services are produced and to which new goods and services will be added. Labor will want its share and the wage structure obviously will have to be adjusted to provide the purchasing power.

Shorter hours of work is another goal certain to grow in importance under the pressure generated by rising worker productivity.

The railroad industry also will be asked to move along with labor expectations that are loosely called "fringe" benefits, but which are becoming less and less a trimming and more and more a part of the basic structure of working conditions. Among these are stronger and more generous pension programs; more comprehensive health protection, and annual income guarantees.

To some extent, these fringe benefits already are in the picture for railroad workers. Dispute is possible over the relative value of those in our industry when compared with similar benefits negotiated elsewhere. Many railroad workers believe they have a lot of ground to make up in this area of collective bargaining.

Without trying to resolve any differences of opinion now, I will point out that the 40-hour week or 5-day week was adopted in the railroad industry almost ten years after it was general practice elsewhere.

A similar lag marked negotiation of the first health and hospitalization programs. Guaranteed annual wages, as such, have not arrived as a major issue on the railroads -- but there is no reason to believe that rail labor will delay its approach to this question as it did to the 40-hour week and health and welfare programs.

As the workers demonstrate a desire for these advantages, they will ask their unions to bargain for them. The desire among the workers will be whetted by improvements in the railroad plant where they work, and also by the realization that their productivity is climbing fast enough to warrant and to justify their requests.

These changes are very apparent to the railroad worker. Clerks are processing 27 checks a minute on machines in many offices today. Until recently, it took an experienced clerk ten minutes to process one, according

to a recent statement by George M. Harrison, president of the Brotherhood of Railway Clerks.

Teletypes, radio and radio-telephones are transmitting messages which telegraphers formerly tapped out in Morse Code.

Centralized traffic control speeds trains through congested areas with a handful of men doing work which required scores of signal tower operators, telegraph operators and others. New "car retarder" yards not only cut into the need for large yard crews, but also include automatic controls which direct the sorting and reclassification of trains. Even television is being adapted to railroad service.

Machines replace scores of men in the arduous labor of maintaining the right of way. Diesel locomotives effect the need for as many engine and train crews although they haul longer and heavier trains at higher speeds. Diesels also permit greater centralization of repair and maintenance facilities.

All of these innovations are having a profound effect upon both volume of employment and the rate of output per man hour.

It is natural for workers to observe the fluctuation in employment opportunities and to put their concern over loss ahead of other cares. During the period of 1926 through 1930 railroad employment averaged 1,663,000. By 1955, this labor force had dwindled to 1,058,000. The cut amounts to close to 40 per cent.

At the same time, the railroads handled over 30 per cent more revenue ton miles of business.

Recent examinations of output per man hour disclose an average increase of 5.2 per cent per year on the railroads. This contrasts with a national average of 3.6 per cent per year. It is in this latter comparison that

railroad workers find justification for their plans to close the gap which they are convinced has developed between their working conditions and those of workers in other industry.

Of course, these figures also bring us face to face with another part of the probable picture which we call the future. This is the potential job loss which accompanies further advancement of technology and automation in the industry.

More than twenty unions maintain collective agreements on most railroads. It would be presumptuous for me to hazard a guess as to how they will deal with their individual problems. I am sure all of them will seek measures which will protect the workers they represent against hardship, but the method to be used remains for determination.

Some light may be shed on this problem by the experience of the organization with which I am connected.

Recently more than 140 railroads in the United States served formal notices upon us, asking to cancel provisions of our present agreements and to grant the railroads the unilateral right to assign or not assign firemen to employment on diesel locomotives.

In Canada, the Canadian Pacific Railway carried its demands to the point that brought about a strike by the Brotherhood of Locomotive Firemen and Enginemen. After nine days the strike was halted while a Royal Commission conducts an investigation of the issue, starting next month.

Meanwhile, the U. S. railroads had withdrawn their requests, as had the Canadian National Railway.

This is an involved issue -- to deal with it fairly to either the employees or the companies would require more time than I am justified in taking here. But I will touch on two important points because they show us something of the general problem of labor for the future.

One is that trade names are often retained although the job which the names designate have undergone extensive evolution. This is true of the term "locomotive fireman." A friend of mine on management's side of the table, has often asked me this question: "What is there for a fireman to do when he has no fires to tend on the diesel?" The answer seems to be obvious: A fireman has no fires to tend, therefore, nothing to do.

But both the question and the answer are based upon assumptions which do not take into account essential and pertinent facts. The so-called fireman who works on the diesel locomotive is taking with him the ability to perform and the responsibility for entirely different technical duties than he discharged upon a steam locomotive. The name "fireman" is, in this age of diesel locomotives a "misnomer," but it has been retained for want of a better and more generally acceptable term.

Another point in this regard was the statement advanced by the CPR that the opposition to its demands was "denying the company the advantage of the technology of the diesel." Again in the interest of brevity, permit me to present in an over-simplified form what would otherwise be a mass of statistical data. I point to one mountain district terminal where, when steam was used, it was necessary to employ "helper" locomotives to haul trains over the steep grades. This meant using another crew, or perhaps more.

Today, there are over 40 fewer jobs for enginemen in that terminal than there were when it was a steam district. But the terminal is handling a much larger volume of freight. Our answer is that the railroad is enjoying the benefit and savings it should from the technology of the diesel because of the ability for its various units to be operated in multiple-control by one engine crew.

There, simplified to a disarming degree, are two points of dispute which

may arise in any other issue which stems from the displacement of workers in a period of rapid technological advancement.

These are problems which are part of railroad labor's future, just as much as the desire for a rising standard of living.

No effort to examine the future will be complete which does not take technological displacement into consideration to the same extent it looks into efforts to improve the economic lot of the man who is on the job. Here there is an inter-relationship which cannot be denied. The big challenge to the wisdom and to the good will of both management and labor will be in how they cushion the effect of technology upon the economy. Production is not an end to itself. And industry -- as big and as important as it is in our economy -- is only a part of the economy. Professions, service and agriculture contribute to that economy and are dependent upon it and they must be given due consideration in the decisions reached.

These will be in many instances hard decisions to make and the difficulties which will go along in reaching them may very well overshadow the more traditional wage and hours negotiations of the next five, ten or more years.

* * *

These were my views in 1957. Some three and one-half years later they remain somewhat the same, although added thereto I might appropriately make the following observations:

Work rules and the controversies surrounding them represent a major shift of emphasis in collective bargaining activity. It was not too long ago that wages held the spotlight and most collective bargaining efforts were pointed toward the settlement of wage disputes. We are still asking for pay hikes, as some of you know, but work rules in the railroad industry and

several other industries constitute the major dispute. Let's see why.

It would be difficult to agree upon an accurate, all-inclusive definition of the term "work rules." Some rules concern wage rates. Others deal with contract violations and assessment of penalties. Still others concern work content, craft rights, protection against managerial abuse and unilateral implementation of changes in working conditions and work requirements.

On management's side, work rules allow some control over quality, efficiency, safety, and worker discipline.

Work rules are part of collective bargaining agreements because they are necessary to the orderly conduct of labor relations. They answer a need, whether it be on the part of labor or management.

I would assume that rules protecting the rights of employees and the rights of management have been written into labor contracts since the birth of organized labor -- perhaps even before. After these many years, the sudden wailing and hand-wringing over work rules makes one wonder what it is all about.

I, for one, see the entire rules controversy stemming from two things -- prosperity and automation. Going farther, I see the rules issue being created as a "strawman" to counteract labor's strong case for higher pay. And -- on a long range basis -- I can see where the dissolution of work rules and the protection they afford paves the way for management control over worker displacement due to the introduction of automated and technologically improved machinery and procedures.

Work rules have become an important issue in almost every industry at a time when profits are setting new records year after year because of better production methods and the spectacular increase in worker productivity.

Placing myself for the moment in the shoes of an industrial relations

director, I would find it very difficult to argue against a request for higher wages by employees when my company has marked up record earnings five years in a row and that fewer employees are producing double the amount of goods than more workers did five years before.

There is no honest argument against the request of labor for a fair share of profits. But instead of giving the employees their due, another issue is created -- the work rules issue -- to serve as a counterbalance to wage increases. In other words, employees either will have to settle for a sub-standard increase or give up work rules in order to receive a fair pay raise.

Another factor involved here, too, is that a change in work rules can mean a change in wages. A wage agreement can be signed one day and then be chipped apart in a later rules agreement. The possibility of this situation exists. Right now in the railroad industry, several of the operating unions have won pay increases of four per cent, but if rail management won its point in the rules dispute, 15 per cent or more of the wage increases would be wiped out.

Let's look at the work rules problem in the light of automation, technological improvements and worker displacement.

The railroad industry has cut more than 600,000 workers from its payrolls in less than 30 years. This was accomplished through automated devices in office and maintenance work, dieselization of motive power, railroad mergers, and passenger train abandonments.

Railroad workers have paid a heavy price. Men with 10, 20 and 30 years seniority have found themselves outside the industry, looking for a job when they should be looking forward to a secure future and enjoyable retirement.

These men are graphic proof that something is wrong in the switch from

predominately human labor to human controlled machine labor.

Some economists brush off the problem with the claim that the displaced work force will find new jobs in the new industries created by modern industrial needs. This is not true. There are new industries and new jobs but they are not available to men over 40 who have had 20 and 25 years seniority pulled out from under them. Young men out of high school are accepted for employment much sooner than a man over 40, even though he is a skilled worker. And, if the older worker does find another job, he cannot hope to match former earnings or enjoy the security of seniority. He finds himself on the street in every downward shift of the economy.

These are the problems, gentlemen, that labor is thinking about when it goes to the bargaining table to discuss work rules and industrial automation. Far too many workers have been set adrift because new machines make them redundant, and more will follow unless management and labor reach the common ground where the interests of all will be protected.

The promise of the future holds much for our great nation, but we cannot allow a major segment of the population to suffer unreasonably while others confine the fruits and profits of progress to themselves.

I can assure you that labor will not sit back and watch industrial progress used only to increase the number of unemployed.

With your permission, I would like to switch rather abruptly here to a discussion of the specific work rules changes being sought by railroad management. These are items that you will be hearing about more and more in the next several months. I am sure you have already read a great deal about the so-called featherbedding controversy between the rail operating unions and U. S. carriers.

Any analysis of work rules in any industry will show that all of them

boil down to a dollar and cents basis. Rules that provide favorable working hours, conditions, special allowances and etc., can easily be translated into terms of wages. Eliminating the rules reduces wages. In the railroad industry the rules changes follow this pattern but also bring up the question of what is right and what is wrong; what is safe or what is unsafe; what is efficient and what is uneconomical in the operation of the railroad industry.

First off, the railroads want to change the 100-mile unit of work for engine and train service employees so that fewer employees will produce more work at less pay.

The 100-mile unit of work is not comparable to the eight-hour day worked by an industrial employee, although management publicity implies the relationship is similar.

It was the railroads, themselves, that proposed the 100-mile unit because it was to their advantage to pay operating employees only for work performed, which is typical of piecework systems.

Now, however, the 100-mile unit is considered obsolete because trains run faster than they did 40 years ago.

To me this means that adept, skilled employees, operating longer, faster trains, earn money for the railroads at a faster rate than 40 years ago. It simply illustrates that railroad workers are more productive and make more money at a faster rate for their employers than did their predecessors 40 years before.

It should be noted that while the carriers want to change almost every existing rule and practice, the one that is to be left virtually intact is mileage pay for road crews. The industry benefits from the dual basis of pay.

Rail labor recognizes that the public is not familiar with the railroad industry and that the method of pay is confusing. Management has been quick

to capitalize on the public's natural lack of knowledge in this respect. We do ask, however, that the public recognize that we are fighting to maintain a basic living wage, and while it may be computed on a different basis than their own, it is, in most respects, the same.

Coupled with the extension of the basic unit of work to 160 miles is a proposal that would give the rail corporations the unrestricted right to abandon, establish and move crew terminals at their own discretion. Management does not now have that right and every rail community in the country should pray it never gains that right.

Railroad men have built their homes and reared families in rail communities. They do not want to be uprooted every time the company decides to lengthen the division. They want to be assured that they can own their homes and raise their children in one place and not spend a few years at every terminal along the railroad.

The companies say they will arbitrate the financial considerations involved in moving workers, but even here is a clinker. The arbitration is on management terms and the company can change its mind, if the award favors the employees.

There is no mention made by the carriers as to the effect terminals would have on seniority or the financial impact the public would be asked to absorb in the communities affected. Men who have given their working lives to the railroad would find their seniority meaningless. In fact, the notices, as we see them, would place all seniority under management supervision and direction.

A good deal of the public wailing by rail management concerns the division of work between yard and road crews. In support of this division of work as specified in our legal contracts, the National Railroad

Adjustment Board sometimes awards payment to an employee whose contractual rights have been violated. These penalties are then broadcast by management as proof that it is hamstrung by restrictive labor managements.

Rail management places itself in a peculiar position. The incidents it enjoys quoting, along with the Adjustment Board Awards, add up to an indictment of management's bad faith in living up to its agreements.

These time claims and penalty payments assessed against carrier account, in large part, for the many years of comparative labor peace in the industry.

A work rule without a penalty clause is not enforceable and, in reality, worthless. Penalty clauses form the core of collective bargaining agreements.

Insofar as yard and road crews are concerned, the division of their work is really a matter of efficiency. The piecework basis of pay for road crews -- which I remind you the carriers want to keep -- would be meaningless, if the crew got its train over the road in less than the usual time and then was forced to spend the remaining time in yard switching.

Yard crews cannot be expected to report for work in the morning, spend four hours in the yard and then end their day several hundred miles from home after working four hours on the road. It just is not fair.

The vice president of public relations is not going to finish his day by spelling off the vice president of accounting. It is not done.

The final phase of the notices concern the number of crew members necessary for safe and efficient operation of the trains.

The railroads say three or less men are sufficient and we say no less than five men can operate trains that reach more than a mile in length and are hauled by any number of diesel locomotives. The record of the past and the obvious requirements of practical railroading will prove us right.

The reason locomotive firemen did not fade into history with steam

locomotives, was because the fireman's duties aboard a locomotive did not disappear. Many of his duties did not even change in the transfer from steam to diesel power.

True, he no longer shovels coal, and his name is something of an anachronism, but he has maintained his function as supervisor of power on the locomotive by being able to perform certain repairs enroute. No one pretends that the locomotive fireman performs duties that should be done by the skilled machinist or skilled electrician in the shop. He is, however, the only man on a moving engine who can and does keep a full supply of power to the engineer's throttle.

Almost daily, the safety function of the fireman is illustrated by the saving of a fellow employee from death or injury. He also is on guard to protect the public in the movement of trains through communities and over grade crossings.

In March, the Brotherhood of Locomotive Firemen and Enginemen presented its 1959 Annual Safety Award to a New York Central System fireman who was alert enough to spot a woman who had fallen in front of moving freight cars rolling into a transfer track near a public crossing. Without concern for his own safety, this fireman leaped from the window of the locomotive and ran to the woman, carrying her to safety as the cars rolled by.

Two world wars and the Korean conflict proved the need for trained railroad manpower to handle the flow of military, freight and passengers. Every available man was pressed into use and it could happen again.

I fear though that we forget too quickly the problems we have solved in the past.

There are officials who say they can train a reserve supply of locomotive engineers in a few weeks but they apparently are not conversant with the requirements of practical railroading.

Engineers cannot be trained in a few weeks. A fireman starts learning to be an engineer the day he starts working for the railroad. He never stops learning the intricacies of the craft until the day he retires.

Brakemen have come in for their share of public abuse along with other members of the operating crafts. The slogan, I believe, is "Brakemen with no brakes to handle." This is supposed to mean that the day of hand brakes has passed, but from 1954 to 1958 there have been 21 brakemen killed and nearly 3,300 injured while operating hand brakes.

I think of the crew as a team with a mission to perform each day or trip worked. By coordination and fulfillment of their duties and responsibilities, railroad employees provide safe and efficient transportation service for the American public.

I know this brief rundown on the rules controversy in the railroad industry only touched on the highlights, but I do hope I was able to give you some insight into the problems of railroad workers.

Solving a dispute of the magnitude now facing rail management and labor is a task that will require both sides to discard all feelings of animosity and distrust. The desires and needs of both parties must be considered together, not separately, and there must be a sincere determination to do what is basically right for the nation, the industry, and its employees.

Your conference here suggests an ideal manner in which to approach and solve our dispute. Free and open discussion, minute examination of all facts, and unrestricted development and exchange of ideas could lay the groundwork for years of labor peace in the railroad industry. In other words, a complete and frank study of all our problems -- both from the standpoint of labor and that of management -- will provide the answers and clear the muddled situation that now exists. Thank you for your very kind attention.