

Railroad Strike Situation

Important Decision Made by the Railroad Executives—Expected Settlement Postponed

It would be impossible to follow the details of the conflict between the railroad executives and coal mine owners on the one hand, and the striking railroad employes and coal miners on the other. We have endeavored so far to present a fair and unbiased reflex of the attitudes of the contestants in the gigantic controversy, and had fervently hoped to have seen the end of it by the first of August. There has been much anxiety in official circles at Washington. Yet, in general, the people display little excitement. There is a serene confidence that everything will be settled in due time. This hopefulness of the people may be a reflex of the old American belief in our lucky star. We feel that we have always managed to get through our labor crises in the past, and that somehow we shall be able to emerge happily from this one. It is the complacent theory, so comfortable, but which may not always be justified, that Providence especially looks after idiots, drunken men and the United States. The mass of the people, however, can give reasons for the faith that is in them. They believe, first of all, in the Government. With all its defects and weaknesses, it can be trusted upon to rise to the needs of a national emergency. It has latent and unwritten powers which can be utilized under the supreme law of the safety of the public. Furthermore, the people have a firm belief in the good sense of the men on both sides of the controversy. They do not expect either to go to extremities. This is the kind of confidence bred in Americans by long experience, and they are not to be easily shaken out of it now. Hope almost always creates from its own wreck the thing it contemplates.

Passing over the clamor of recriminations during July much was hoped for by the calling of the railroad executives together on the first of August. President Harding had obtained intimation from both sides that settlement might be achieved if certain compromises were made. It was learned from official sources that a settlement plan drawn up in Washington was about as follows:

1. The shopmen to return to work at once.
2. The Railroad Labor Board to grant a rehearing on the wage scale reductions and other working conditions which brought on the strike.
3. The railroads to agree to abide by the orders of the Labor Board prohibiting railroads from having repair work done in private shops.
4. Seniority to be restored only in part to the strikers, the men who walked out

to receive rights inferior to those of the men who stayed on the job, but superior to those of the strike breakers.

This latter proposition for settlement of the seniority question is one that was said to be sponsored by a member of the Labor Board, and constituted the only doubtful point of the four mentioned. That it would be accepted by the shopmen was considered doubtful, the general opinion that the men would consider returning only if restored to the privilege of seniority, and it was equally well known that some of the railroads had promised permanent employment to their strike breakers. The significance of such a promise is that the one big privilege which seniority gives is employment. If a shop crew is being cut down, the last man hired is the first man fired. Hence, if the railroads take back the strikers with unimpaired seniority, and have room for no more than were employed before the strike, the strike breakers are going to lose their jobs.

Another suggestion understood to have been made by the President was that the men should return to work under the Labor Board's rules, waiving seniority rights for the time being, and leave the question of seniority, along with all the other questions involved, for settlement by the board. He is believed to have pointed out to the shopmen's chiefs that, should the men do such a thing, the generosity of their move would be so appreciated by the public and the Administration that the Labor Board would be almost certain to uphold their point of view in settling the seniority dispute.

It was explained that the question of seniority is not before the board at this time because the board takes the position that it is qualified to deal only with the roads and their employes. Which is to say, that strikers are not employes. But the moment they return to work and one of them, for example, is denied his seniority privileges, the question would be a legitimate subject for judgment by the board.

At the meeting of the Railway Executives' Association, held in New York City on the first of August, the official propositions submitted by President Harding were as follows:

First—Railway managers and workmen are to agree to recognize the validity of all decisions of the Railroad Labor Board and to faithfully carry out such decisions as contemplated by the law.

Second—The carriers will withdraw all lawsuits growing out of the strike, and Railroad Labor Board decisions which have been involved in the strike may be

taken, in the exercise of recognized rights by either party, to the Railroad Labor Board for rehearing.

Third—All employes now on strike to be returned to work and to their former positions with seniority and other rights unimpaired. The representatives of the carriers and the representatives of the organizations especially agree that there will be no discrimination by either party against the employees who did or did not strike.

Referring to the system of contracting work to manufacturing establishments in order to maintain needed repairs, the President pointed out that he "had not specifically stated it in the terms of settlement, but, of course, the abandonment of the contract system, in accordance with the decision of the Board, is to be expected on the part of all railroads. It is wholly unthinkable that the Railroad Labor Board can be made a useful agency of the Government in maintaining industrial peace in the railway service unless employes and workers are both prompt and unquestioning in the acceptance of its decisions."

The Railway Executives' Association, by a vote of 265 to 2, refused to agree to the President's plan for ending the railroad men's strike, sending him a qualified acceptance of planks calling for agreement to abide by all decisions of the United States Railroad Labor Board and the calling off of all litigation growing out of the strike, but refusing point blank to the third and main proposal, that they allow all strikers to return without any loss of seniority.

"Striking former employes," said the reply of the executives, "cannot be given preference to employes at present in the service without doing violence to every principle of right and justice involved in this matter and without the grossest breach of faith on the part of the railroads to the men at present in their service. Under these circumstances it becomes apparent that the railroads cannot consider any settlement of the present strike that does not provide protection in their present employment both to the loyal employes who remained in the service and to the new employes entering it."

Reports from Chicago where the strike leaders have been gathering in anticipation of action on the President's plan, were to the effect that the strikers would accept it, leaving it up to the President to take such other steps as he might deem best to bring the executives into line.

It may be added that the vote taken by the Railway Executives, and already stated, was taken after Herbert Hoover, speaking for the Administration, had urged

full acceptance of the President's plan, on the ground that the full recognition of the United States Labor Board is the real issue in the strike, compared to which the seniority issue, important to the railroads, is of minor consequence. Coupled with this was the declaration that the President feels that maintenance of the integrity of the Labor Board transcends in importance all other issues, and a plea that the executives assist the Administration in disposing of one of the many vexatious problems confronting it.

The railroad executives agreed entirely with the President's statement that it is wholly unthinkable that the Railroad Labor Board can be made a useful agency of the Government in maintaining industrial peace in the railway service unless employers and workers are both prompt and unquestioning in their acceptance of its decision. The executives claim that "many men in the service refused to join the strike, and in so doing were assured of the seniority rights accruing to them and of the permanence of their positions. In some lines it is claimed that 50 per cent or more refused to join the strike. To these old loyal employes have been added thousands of new men who were employed and could be secured only upon a definite promise that their services would be retained regardless of the settlement of the strike, with all the rights appertaining to such employment, including that of seniority under the working rules and regulations previously approved by the Railroad Labor Board.

In view of the above the executives insist that the striking former employes cannot be given preference to employes at present in the service, without doing violence to every principle of right and justice involved in this matter and without the grossest breach of faith on the part of the railroads to the men at present in their service. Under these circumstances, it becomes apparent that the railroads cannot consider any settlement of the present strike which does not provide protection in their present employment both to the loyal employes who remained in the service and to the new employes entering it.

The willingness of the Railway Executives to accept two of the propositions submitted by the President was considered as a distinct step forward by the Administration. It was indicated, however, that even if a settlement is reached all around and the railroad workers also agree to abide by the decisions of the Railroad Labor Board in the future, legislation doubtless will be sought strengthening the hands of the board by giving it power to enforce its rulings against both the carriers and their employes.

One suggestion made in an authoritative quarter was that future wage decisions of the board should be on a regional rather than a national basis.

It was pointed out that wage scales in United States Navy Yards and Arsenals

are based on the average wages paid for similar work in a number of manufacturing plants in the vicinity of the yard or arsenal and no attempt is made to fix a national wage scale for Government plants. It is felt that the same rule could be applied with profit on the railroads.

It is generally believed that the Government does not contemplate taking any further action in the dispute, at least until the breakdown of some particular railroad becomes evident. Acceptance of the striking shopmen of the President's proposals does not materially change the situation in view of the unanimous rejection of the terms by the rail executives. As already stated the employes, during the first week in August agree to return to work with the understanding that they have unimpaired seniority restored. The railroads flatly refuse to re-employ them on this basis.

Unless the railroads change their attitude and surrender on the question of seniority the Administration feels the strike is exactly where it was on July 1 when the shopmen walked out.

Either some entirely new basis for a compromise must be worked out and re-submitted or, as the President himself has intimated, the railroads and the shopmen will be allowed to "fight it out."

Among other reports not fully confirmed was one to the effect that the Administration's next move in the shopmen's strike would be to invite the strikers to return to work and then appeal to the Railroad Labor Board for a decision upon the seniority question. It was reasoned that since both strikers and executives have accepted the first of the President's proposals—that the judgments of the Labor Board must be obeyed by both sides—this gives opportunity for arbitration of the seniority issue. In labor quarters this report was received with interest and some favor. The obvious difficulty with this course of action is in the attitude of the executives who have assured employes taken on during the strike that their positions are permanent.

The only definite assurance is that the Railroad Labor Board has adopted a resolution to begin the hearing of wage and rule disputes involving certain classes of railway men on August 28. The Board's action is in line with promises previously made when the union's strike plans were formulated early in July. Labor board members pointed out that the Board made no concession in granting a rehearing of cases which resulted in slashing the pay on July 1, as any organization was privileged to ask for reconsideration on the ground that living prices had advanced since the decision was rendered. The principal rule involved concerns overtime.

Cases involving forty-three roads have now been submitted to the Board, these railroads waiving their right to a thirty-day notice before submissions of the cases.

Other roads are said to have pursued a similar policy.

Senator Cummins on the Railroad Law

Senator Cummins, who has had many conferences with the President on the Railroad Law of which he was part author, says he is convinced that the committee hearings, which will be designed to secure all possible aid in drafting a new formula on railroad wages, would begin soon, but not so soon as to interfere with the present strike negotiations. The committee chairman did not believe it possible that the amendatory legislation could be disposed of soon enough to be a factor in the present strike, his thought being that corrective legislation would prevent future trouble.

"The men undoubtedly are entitled to a guarantee of a living wage, inasmuch as the Transportation act attempts to define wage standards," said Senator Cummins. "I do not mean a nation-wide, standardized wage, but the law should be so amended as to guarantee a living wage, under a better formula of law than in the present Transportation act, which will be capable of better administration by the Railroad Labor Board."

Later, according to Senator Cummins, who is a co-author of the present law, must come legislation to make the board's decisions enforceable.

"They are binding now, on both sides, but not enforceable," said Senator Cummins. "I think we must have an amendment which will make them enforceable, by providing penalties against conspiracy among railway workers and also fines and imprisonment penalties against railway officials for violating the board's orders."

The latter legislation, Senator Cummins said, should not be injected now into the present strike.

An Authority on Labor Questions

Baron Shaw, one of the six members of the British Lords of Appeal, who is attending the San Francisco convention of the American Bar Association, and who is perhaps the highest authority on labor disputes in Great Britain, being chairman of the commission that settled the British dock strike, one of the most serious that has taken place in England, states that he was not sufficiently well acquainted on the coal and railroad strikes in America to venture an opinion, but he was a confirmed advocate of judicial arbitration, meaning an investigation in which both sides participated, with the power of cross-examination together with an impartial chairman, and where capital and labor hear each other. In the dock strike this was the method followed, and as a result the scandal of casual labor was done away with by a system of registration, and a minimum wage of sixteen shillings a day was fixed, on a sliding scale with respect to the cost of living.