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FEDERAL MEDIATION AND CONCILIATION SERVICE

Washington, D.C.

"Collective Bargaining--  
Responsibilities in a Changing Railway Industry"

An Address by

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YOUR PRESIDENT AND MY FRIEND, AL CHESSER,  
PAID ME A HIGH COMPLIMENT WHEN HE INVITED  
ME TO PLAY A SMALL ROLE IN THE CONVENTION  
OF THE UNITED TRANSPORTATION UNION.

I ALWAYS ENJOY BEING IN THE  
COMPANY OF RAILROADERS--AND PARTICULARLY  
TO BE WITH THE FINE FOLKS OF THE UTU.

OUT OF CURIOSITY, I CHECKED BACK  
ON MY SCHEDULE OF SPEAKING ENGAGEMENTS  
DURING THE TWO -AND-A-HALF YEARS SINCE I  
WAS GIVEN THE HIGH HONOR OF BEING APPOINTED  
NATIONAL DIRECTOR OF THE FEDERAL MEDIATION  
AND CONCILIATION SERVICE.

I FOUND THAT OF THE 114 SPEECHES I HAVE DELIVERED, THERE HAS BEEN--AS BEFITS A MEDIATOR--AN EQUAL BALANCE BETWEEN THOSE PRESENTED TO GROUPS OF MANAGEMENT, LABOR AND NEUTRALS.

BUT ONE THING STOOD OUT. IT SEEMS I MAKE AN ANNUAL PILGRIMAGE TO THE UTU-- THAT I RETURN EACH YEAR WITH THE REGULARITY OF THE SWALLOWS INVASION OF CAPISTRANO.

IN 1973, I HAD THE PLEASURE OF ATTENDING YOUR REGION 3 CONFERENCE TO DRAW THE NAMES OF SCHOLARSHIP WINNERS.



In 1974, I TALKED ABOUT NEW DEVELOPMENTS IN COLLECTIVE BARGAINING TO THE MEETING OF YOUR GENERAL CHAIRMEN IN LAS VEGAS.

I'VE HAD THE FEELING THAT AL HAS EITHER BEEN TESTING ME--OR GROOMING ME-- FOR MY APPEARANCE TODAY AT THE BIGGEST AND MOST IMPORTANT UTU EVENT.



IT CAN BE SAID THAT WHAT IS HAPPENING IN YOUR INDUSTRY IS BECOMING LESS PUZZLING. MANY OF US CAN SENSE AN EMERGING DETERMINATION TO BRING TO OUR NATION A FULFILLMENT OF THE ENORMOUS POTENTIAL OF RAIL TRANSPORTATION.

IN JUST THE PAST FEW DAYS, WE HAVE SEEN STRONG SUPPORT BUILDING FOR A PLAN THAT WILL REORGANIZE THE FINANCIALLY DECIMATED LINES OF THE NORTHEAST.

WE HAVE SEEN REPORTS FROM AMTRAK THAT SEVEN NEW TURBINE-POWERED TRAINS CAPABLE OF MOVING AT 125 MILES AN HOUR WILL GO INTO SERVICE NEXT SUMMER. COMBINED WITH THAT GOOD NEWS ARE PROGRAMS TO UPGRADE TRACKS TO OPEN THE GATE TO A NEW AREA OF HIGH-SPEED RAIL TRANSPORTATION FOR PEOPLE, AS WELL AS GOODS.

AMTRAK OFFICIALS LAST WEEK PREDICTED THAT ITS RIDERSHIP WILL DOUBLE BY 1980, AND SIMULTANEOUSLY ANNOUNCED THAT TWO NEW EXPERIMENTAL ROUTES--BOSTON TO CHICAGO AND WASHINGTON TO DENVER--WOULD BE OPERATING WITHIN THE NEXT FEW MONTHS.

FOR PEOPLE LIKE YOUR UTU MEMBERS WHO OPERATE THE RAILROADS, FOR CUSTOMERS, FOR INVESTORS AND SUPPLIERS, THESE ANNOUNCEMENTS PROVIDE NEW RAYS OF HOPE.

ANYONE WHO GREW UP, AS I DID, IN A SMALL TOWN NEAR A CITY SUCH AS ATLANTA, WHICH WAS BORN AND THRIVED BECAUSE OF THE ROLLING OF IRON WHEELS, LEARNED EARLY THAT RAILROADS MEAN INDUSTRY, JOBS AND COMMUNITY PRIDE.

EVEN IN MY BOYHOOD DAYS, WE WERE TAUGHT THE FIRST LESSON IN ECONOMICS-- ANY TOWN WITHOUT A RAILROAD SIDING WAS A TOWN THAT WASN'T GOING ANYWHERE.



THAT FUNDAMENTAL LESSON REALLY HASN'T CHANGED. AND BECAUSE IT HASN'T CHANGED, I CAN TELL YOU THAT ANYONE WHO BELIEVES THE GREATNESS OF AMERICA'S RAILROADS IS BEHIND US HASN'T BEEN KEEPING UP WITH THE TIMES.

NOW I'M AWARE THAT CAR LOADINGS ARE DOWN SOME 13 PERCENT FROM THE VOLUME OF A YEAR AGO, AND THAT JOBS ARE SCARCE. THIS IS A REFLECTION OF THE ECONOMIC DOLDRUMS OF THE ENTIRE NATION--INDEED MUCH OF THE WORLD.

YET EVEN THE ECONOMIC PRSSIMISTS  
WILL SAY THAT AT SOME GIVEN TIME, RECOVERY  
WILL COME.

AND WHEN IT DOES, OUR RAILROADS  
WILL BE IN THE VANGUARD OF THE PARADE.

HOW CAN YOU NOT BE THERE? AFTER  
ALL, OUR RAILROADS TRANSPORT 86 PERCENT OF  
ALL PULP AND PAPER. . . 78 PERCENT OF ALL  
LUMBER. . . THREE-QUARTERS OF ALL NEW CARS,  
CANNED FOODS AND COTTON. . . 71 PERCENT OF  
ALL HOUSEHOLD APPLIANCES AND 70 PERCENT OF  
THE INCREASING AMOUNTS OF COAL USED BY  
UTILITIES AND INDUSTRIES.

WE RELY ON RAILROADS TO CARRY MOST OF THE IRON AND STEEL AND GRAIN AND CHEMICALS THAT ARE PRODUCED AND MARKETED IN THE COUNTRY.

AS A NATION, WE ARE OBVIOUSLY DEPENDENT ON THE MEN AND WOMEN WHO OPERATE OUR RAILROADS TO DELIVER THE GOODS.

IT IS BECOMING JUST AS OBVIOUS THAT THAT DEPENDENCY WILL GROW AS WE CONDITION OURSELVES TO PRESERVE OUR LIMITED PETROLEUM RESOURCES.

AND THAT TIME IS COMING DOWN ON US WITH THE SWIFTFNESS OF A HEADMAN'S AX.



I AM REMINDED OF THIS EACH DAY  
BECAUSE OF THE UNIQUELY GRAPHIC IDEA OF  
A STAFF PERSON AT THE FEDERAL ENERGY  
ADMINISTRATION. THE FEA OFFICES ARE NEXT DOOR  
TO OURS IN WASHINGTON.

IN FOUR WINDOWS ON THE SIXTH  
FLOOR OF THE FEA OFFICES ARE POSTED FOUR  
DIFFERENT NUMBERS. TODAY, THOSE NUMBERS  
ARE THREE-THREE-NINE-FOUR. THEY REPRESENT  
THE NUMBER OF DAYS OF TOTAL OIL RESERVES  
LEFT IN THE UNITED STATES IF WE CONTINUE TO  
PUMP PETROLEUM AT OUR CURRENT PACE.

THREE-THOUSAND THREE-HUNDRED AND NINETY-FOUR DAYS--LESS THAN TEN YEARS OF KNOWN PETROLEUM RESERVES AT OUR PRESENT RATE OF CONSUMPTION.

THE POTENTIAL FOR TOTAL DEPENDENCE ON FOREIGN OIL WITHIN THE DECADE SHOULD CAUSE EACH OF US TO BE CONCERNED WITH ENERGY CONSERVATION.

ONE WAY WE CAN SHOW THAT CONCERN IS THROUGH THE USE OF RAIL TRANSPORTATION. NO OTHER FORM OF TRANSPORTATION CAN HAUL SO MUCH TO SO MANY PLACES WITH SO LITTLE USE OF FUEL.

I HAVE READ THAT OUR EXISTING RAIL SYSTEM--WITH SUBSTANTIAL IMPROVEMENTS IN PLANT FACILITIES, TERMINALS, ROADBEDS AND EQUIPMENT--HAS THE CAPACITY TO CARRY THREE TIMES THE FREIGHT AND PASSENGERS NOW BEING TRANSPORTED.

THIS IS AN ENORMOUS OPPORTUNITY THAT CAN PROVIDE TREMENDOUS BENEFITS FOR AMERICA, PARTICULARLY DURING A TIME WHEN WE ARE SUFFERING FROM THE ECONOMIC BLAHS, AND ARE FACING AN INCREASINGLY SERIOUS SHORTAGE OF ENERGY FUELS.



THE FACT THAT THERE IS A NATIONAL AWARENESS OF THE CHALLENGES AND OPPORTUNITIES THAT EXIST IN MODERNIZING OUR VAST RAIL NETWORK IS REFLECTED IN THE MANY PROGRAMS THAT ARE NOW WORKING THEIR WAY THROUGH THE CONGRESSIONAL MILLS.

BEING NEITHER AN ECONOMIST NOR AN EXPERT IN RAILROAD OPERATIONS, I'LL NOT PASS JUDGMENT ON WHICH OF THE PLANS IS BETTER. BUT I WILL JOIN WITH YOU IN A CALL TO BEGIN THE JOB AS QUICKLY AS POSSIBLE.

BUT NO MATTER WHAT PROGRAM FINALLY EMERGES, ITS SUCCESS WILL DEPEND ON A RESPONSIBLE RELATIONSHIP BETWEEN LABOR AND MANAGEMENT.

LET ME SAY AT THIS POINT THAT YOUR UNION--THE UNITED TRANSPORTATION UNION--HAS SET A STANDARD OF EXCELLENCE IN RESPONSIBLE LABOR-MANAGEMENT RELATIONS.

THE FACT THAT YOU HAVE BEEN ABLE TO SIGN, SEAL AND DELIVER YOUR LAST TWO CONTRACTS FULLY THREE MONTHS BEFORE THE FIRST DEADLINE UNDER THE RAILWAY LABOR ACT IS AN ACHIEVEMENT EQUAL TO THE WIDELY-HAILED EXPERIMENTAL NEGOTIATING AGREEMENT REACHED BETWEEN THE STEELWORKERS AND BIG STEEL.

THE FACT THAT YOU VIEW COLLECTIVE BARGAINING AS A CONTINUOUS, DAY-TO-DAY RESPONSIBILITY ESTABLISHES A PATTERN THAT I HOPE OTHERS WILL FOLLOW.

YOUR PERMANENT JOINT LABOR-MANAGEMENT COMMITTEE. . . YOUR HEALTH AND WELFARE COMMITTEE--THESE ARE COLLECTIVE BARGAINING INNOVATIONS THAT ARE CREATING A STRUCTURE NOT JUST FOR LABOR-MANAGEMENT PEACE, BUT FOR LABOR-MANAGEMENT PROSPERITY.

WHEN I TALKED TO YOUR GENERAL CHAIRMAN LAST YEAR IN LAS VEGAS, I TOLD THEM THAT AS A MEDIATOR, I HAD THE OPPORTUNITY TO SEE SOME GAMBLING AT TRULY HIGH STAKES MANY TIMES A YEAR.



SINCE I KEEP RETURNING TO THE TABLES--  
THE NEGOTIATING TABLES--IT IS OBVIOUS THAT  
I'M HOOKED ON THE THRILL OF THE GAME.

BUT COLLECTIVE BARGAINING IS A  
DIFFERENT FORM OF GAMBLING.

BOTH SIDES CAN WIN. CONVERSELY,  
BOTH SIDES CAN LOSE.

RARELY HAVE I SEEN ONE SIDE WIN OR  
LOSE ALONE.

THE COMPANY THAT GIVES TOO MUCH  
WILL SOON PAY A PRICE--AND THAT PRICE IS  
LIKELY TO BE SHARED, HOWEVER UNWILLINGLY,  
BY THE EMPLOYEES.

THE UNION THAT ACCEPTS TOO LITTLE WILL LIKEWISE PAY A PRICE-- A PRICE THAT CAN BE MEASURED IN A DISGRUNTLED, UNSTABLE WORKFORCE. AND THAT PRICE, TOO, IS LIKELY TO BE SHARED, HOWEVER UNWILLINGLY, BY MANAGEMENT.

THE WINNER IN THE GAME OF COLLECTIVE BARGAINING, THEN IS THE TEAM--THE LABOR-MANAGEMENT TEAM--THAT CAN COME UP WITH THE RIGHT COMBINATION THAT WILL BRING BENEFITS TO EVERYONE INVOLVED--MANAGEMENT AND INVESTORS, EMPLOYEES AND THEIR FAMILIES, THE COMMUNITY AND THE NATION.

THE PROGRESSIVE APPROACH THAT THE  
UTU AND THE RAILROAD INDUSTRY HAVE DESIGNED  
IS SURELY INCREASING THE CHANCES FOR WINNING.

BEFORE LEAVING YOU TODAY, I WOULD  
LIKE TO TAKE JUST A FEW MINUTES TO TALK  
ABOUT ANOTHER GREAT UNION--A UNION THAT IS  
FAR OLDER, FAR LARGER AND INFINITELY  
STRONGER THAN THE UNITED TRANSPORTATION  
UNION OR ANY OTHER UNION, FOR THAT  
MATTER.



ITS PER CAPITA TAX IS FAR HIGHER THAN YOURS. BUT ITS REWARDS ARE TOO GREAT TO BE VALUED IN HUMAN TERMS--AND THEY ARE SECURED BY A CONTRACT CALLED THE CONSTITUTION.

NEXT YEAR WE WILL BE CELEBRATING THE 200th BIRTHDAY OF OUR UNION OF STATES-- AND EACH DAY WE CAN REFLECT ON SOME HAPPENING TO REMIND US OF OUR HERITAGE.

TWO HUNDRED YEARS AGO TODAY, FOR EXAMPLE, ETHAN ALLEN AND HIS CO-COMMANDER, BENEDICT ARNOLD, FRESH FROM A VICTORY AT FORT TICONDEROGA, WERE ASSEMBLING FOR AN ILL-FATED MARCH INTO CANADA.

AND GEORGE WASHINGTON, ONLY TWO MONTHS IN HIS NEW JOB AS COMMANDER IN CHIEF, SITTING ON A HILL OVERLOOKING BRITISH-OCCUPIED BOSTON WAS MULLING OVER WHAT HIS OPTIONS WOULD BE BY THE END OF THE YEAR. YOU SEE, THE ENLISTMENTS OF HIS ENTIRE ARMY WERE DUE TO EXPIRE ON DECEMBER 31 AND THE WHOLE FORCE WAS IN DANGER OF SIMPLY FADING AWAY--WHICH, IN LARGE PART, IT DID.

THERE WAS LITTLE NATIONAL SPIRIT TO COMFORT HIM. THE MEN WERE LOYAL PRIMARILY TO THEIR OWN COLONIES.

GENERAL WASHINGTON STUDIED THE SITUATION AND THEN WROTE TO A FRIEND:

"CONNECTICUT WANTS NO MASSACHUSETTS MAN IN HER CORPS; MASSACHUSETTS THINKS THERE IS NO NECESSITY FOR A RHODE-ISLANDER TO BE INTRODUCED INTO HERS; AND NEW HAMPSHIRE SAYS, IT IS VERY HARD, THAT HER VALUABLE AND EXPERIENCED OFFICERS. . . SHOULD BE DISCARDED, BECAUSE HER OWN REGIMENTS, UNDER THE NEW ESTABLISHMENT, CANNOT PROVIDE FOR THEM."



THEY WERE IN EVEN WORSE SHAPE  
THEN THAN THE RAILROADS IN THAT TERRITORY  
ARE NOW.

YES, THE PEOPLE OF THIS EMERGING  
LAND WERE FAR MORE DIVIDED THEN THAN NOW.  
SOME HAVE SAID THAT HAD THERE BEEN A  
REFERENDUM, KING GEORGE AND THE BRITISH  
WOULD HAVE WON.

AND YET, OUT OF THIS TURMOIL  
GREW A GREAT NATION, ROOTED IN FREEDOM,  
DEDICATED TO THE SELF-EVIDENT TRUTHS THAT . . .  
"ALL MEN ARE CREATED EQUAL; THAT THEY ARE  
ENDOWED BY THEIR CREATOR WITH CERTAIN  
INALIENABLE RIGHTS; THAT AMONG THESE ARE  
LIFE, LIBERTY AND THE PURSUIT OF HAPPINESS."

NO SACRIFICE WAS BEYOND THE  
LIMITS OF THOSE EARLY AMERICANS. THE  
SIGNERS OF THE DECLARATION OF INDEPENDENCE  
PLEGGED THEIR LIVES, THEIR FORTUNES AND  
THEIR SACRED HONOR TO THE CAUSE OF LIBERTY--  
A PRICE THAT, EXCEPT FOR THEIR SACRED  
HONOR, WAS EXTRACTED IN FULL FROM MANY  
OF THOSE 56 COURAGEOUS MEN.

IF WE CAN, AS WE PREPARE TO CELEBRATE  
OUR 200th BIRTHDAY, BRING BACK TO LIFE  
THE SAME SPIRIT THAT LED TO OUR BIRTH  
AS A NATION, WE WILL NOT BE DENIED.