

# Railroaders demand strike action as pro-management Presidential Emergency Board declares workers have “no claim to share” in record profits

**Tom Hall**  
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*Railroad workers: The WSWs wants to hear from you! Fill out the form at the bottom of this article to tell us what you think about the PEB's recommendations and what your “red lines” are. All submissions will be kept anonymous.*

*Read the statement by UAW presidential candidate William Lehman calling for full support for the rail workers.*

Railroaders are furious with Tuesday's Presidential Emergency Board report, in which a panel of Biden-appointed mediators sided with management on virtually every point in a contract dispute. The ruling proposed wage increases below the rate of inflation and upheld the “right” of management to unilaterally impose punishing attendance policies that have driven tens of thousands out of the industry. The deal also removes caps on employee monthly contributions to the health care program, paving the wave for massive increases in premiums.

The Presidential Emergency Board was appointed last month by Biden under the powers created by the anti-worker Railway Labor Act (RLA). The century-old law all but bans strikes on US railroads by imposing endless rounds of mandatory mediation, arbitration and “cooling off” periods. Because of this law, railroaders have been forced to work without a new contract for nearly three years.

“This is a slap in the face,” a railroader told the *World Socialist Web Site*. “I’m a single father with full custody. I’ve been at the railroad for 16 years. I’ve never had a weekend off unless I’ve used vacation. I get points for being sick with a doctor’s note. I get points for my son being sick with a doctor’s note. One personal day does absolutely nothing for me. We need to strike regardless of what Congress does.”

Another railroad worker explained, “One of the biggest threats is removing the cap of our insurance premiums. The railroads are self-insured! They put a value on what our health care plan is worth! By manipulating the numbers, they can increase our monthly contributions to offset the wage increases. The companies aren’t stupid, they know this will be a valuable tool in the future!”

Support for strike action among workers who spoke to the WSWs was very strong. “We need to strike regardless of what Congress decides. The hell with RLA, workers’ rights were not

founded on ‘lawful’ action to begin with, and will not be won by conceding to the wants of a corrupt establishment now.”

Another outraged worker said, “If the union leadership tries to sell this bulls\*\*\* recommendation to the members, shut [them] down! F\*\*\* the outdated RLA! No one is listening to us nor gives a damn about us! Bring the country to a halt and then maybe they will see how essential railroad workers actually are today. It don’t even need to be a strike, it will be a mass resignation and the Carriers and Congress can go f\*\*\* themselves!!!”

Another said, “I see my family four days a month, and have moved three times in eight years for the railroad. I say we strike. If they throw us in jail, there still won’t be anyone to work for the railroad.”

And another said, “Rail workers are the exact reason the whole country moves and runs. Railroads are making record profits, and this contract PEB recommended is a slap in the face. Worked all through COVID with no extra pay while other ‘essential’ employees reaped the rewards. We want a fair contract,” he concluded. “It’s time for us to stand up and STRIKE!”

Biden had appointed the PEB after the rail unions themselves had campaigned for it for months, including the Brotherhood of Locomotive Engineers and Trainmen (BLET) and the Transportation Division of the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART-TD). The appointment of the Board in July blocked potential strike action which had been authorized by BLET members by 99.5 percent.

The unions had claimed that Biden would intervene as a neutral arbiter, or would even take the side of the workers in the name of the “national interest,” given that the naked profiteering by the railroads has brought this critical infrastructure to the brink of collapse. This was facilitated by empty grandstanding by the federal Surface Transportation Board in hearings earlier this year and in a recent online roundtable.

But the exact opposite happened. Indeed, the supposed “national interest” is being cited by the Biden administration to push for a deal along the lines of the PEB’s recommendations as soon as possible. One White House official told Reuters shortly before the PEB report was released, “To avoid a national rail shutdown, it is

in the nation's interest that the parties reach a prompt resolution.”

The unions were not taken unawares by this. From the beginning, they promoted illusions in the PEB and the Biden administration in order to help block strike action and force through a pro-corporate deal, while leaving their own multi-million-dollar assets and six-figure salaries intact.

The report exposes the pretensions of the self-described most “pro-union president in American history.” In reality, this phrase signifies that Biden is using the services of the union bureaucracy to suppress strikes and enforce sub-standard contracts. Biden is seeking to extend the corporatist framework which has long been enacted by law in the railroad industry to other key industries, including the docks. Biden and the International Longshore and Warehouse Union have colluded to keep 22,000 West Coast dockworkers on the job without a contract since July. In the oil industry, the United Steelworkers president boasted that a national refinery contract brokered by Biden “does not contribute to inflationary pressures,” that is, wage increases do not keep pace with prices.

This underscores the need for railroad workers to build rank-and-file committees to take the conduct of the struggle out of the hands of the corrupt union apparatus. These committees should establish lines of communication between railway workers across North America and other workers and prepare common strike action.

In light of the massive anger among railroaders, the unions have maintained a guilty silence since Tuesday’s report was issued. Later that afternoon, SMART-TD issued an update on its website claiming an official response was forthcoming. But no such statement ever came. Instead, it issued another update Wednesday morning declaring it had more internal discussions planned, and that it would “act judiciously as the PEB’s findings are examined.”

It continued, “While other sources may rush to respond, your union is committed to sharing factual information regarding the PEB while achieving the best outcome possible for rail labor.”

“Other sources” is no doubt a reference to the *World Socialist Web Site*, whose reporting of the ruling went viral yesterday and produced a massive influx of comments from railroad workers. The BLET likewise issued its own non-statement that it was “continuing to analyze the report and meet with all involved General Chairmen prior to making any public comments.”

The railroads, however, did not need any additional time to comment. In a carefully worded statement Wednesday in which they attempted to hide their glee over the decision, the Association of American Railroads called for a deal based on the PEB’s recommendations. “While the Biden PEB’s recommendations markedly exceed the rail carriers’ proposal, they provide a useful basis to reach a resolution,” the AAR said. It also claimed, “an agreement based on these terms would lead to the largest general wage increase in nearly 40 years.” In reality, the 22 percent wage increase over five years proposed by the PEB would be more than eaten up by inflation, currently at 8.5 percent.

One highly revealing claim made by management during the PEB hearings, summarized in the final report, provoked particular fury among railroaders. “The Carriers maintain that capital investment and risk are the reasons for their profits, not any

contributions from labor,” the PEB report said. “The Carriers assert that since employees have been fairly and adequately paid for their efforts... then they have no claim to share in the [profits].”

From the standpoint of basic economics, the claim that the railroads’ profits do not come from labor is a self-serving lie. As first explained over 150 years ago by Marx, all profits are ultimately derived from the exploitation of the working class, measured by the difference between the value of workers’ wages and the value they produce during the working day. Extreme levels of exploitation are why the railroad industry, in spite of massive delays and congestion, is the most profitable in the country, with a 50 percent profit margin posted in 2019.

The second part of the statement, that workers’ are not entitled to share in the profits, is practically a paraphrase of what Marx wrote on wages. The statement taken as a whole also indicates that the railroads see workers’ wages as merely a subtraction from their profit margins, suggesting there is no ceiling to the number of workers they would chase out of the industry through brutal work regimes. Indeed, even though the workforce has been reduced by 20 percent since 2019, the railroads have been moving almost the same amount of freight and have posted record profits during the pandemic. Moreover, they have been pushing for years to reduce train crews from two to one.

The ruling prepares a showdown between railroad workers on one side and the railroads, the pro-corporate unions and the government and Democrats on the other. The self-serving lies of the union bureaucracy, calling on workers to place their trust in the Railway Labor Act, the Democrats and the White House, are being shattered. Assuming the contract is voted down, Congress, for the moment still controlled by the Democrats, will intervene in a bid to block a strike. This would take place around the time of the midterm elections, creating an overlapping eruption of class class struggle and political crisis.

“We’ve been told our whole adult life to vote your job and our wallet,” one worker said. “It seems that the do-nothing Democrats are just as bad as the Republicans and their big business friends working against labor. But they don’t seem to realize is, without labor, the whole thing falls apart... In this case, who’s going to move their freight? The entire country will suffer because of this.”

“This is a perfect storm,” another worker said. “It shows the true colors of the railroads, the unions and our useless White House. The bottom line is, we the people don’t matter to any of them. This whole process is a joke. If it were up to me, I would walk away from all three of these groups. The railroad uses and abuses us on a daily basis, the unions are just high-paid con men and the president is nothing more than a clown.”



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