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Report
TO
THE PRESIDENT
BY THE
EMERGENCY BOARD

APPOINTED MARCH 2, 1946
PURSUANT TO SECTION 10
OF THE RAILWAY LABOR ACT

To investigate unadjusted disputes between the Texas and New Orleans Railroad Company and certain of its employees represented by the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen.

HOUSTON, TEXAS
MARCH 30, 1946

HOUSTON, TEX., *March 30, 1946.*

THE PRESIDENT
The White House

DEAR MR. PRESIDENT: The Emergency Board, appointed by you on March 2, 1946, under section 10 of the Railway Labor Act, to investigate disputes between the Texas and New Orleans Railroad Company and certain of its employees represented by the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen, has the honor to submit herewith its report based upon its investigation.

Respectfully submitted,

(Signed) H. NATHAN SWAIM, *Chairman.*

(Signed) EUGENE L. PADBERG, *Member.*

(Signed) GRADY LEWIS, *Member.*

(II)

**REPORT TO THE PRESIDENT BY THE EMERGENCY BOARD APPOINTED
MARCH 2, 1946, PURSUANT TO SECTION 10 OF THE RAILWAY
LABOR ACT, AS AMENDED**

IN RE: *Texas and New Orleans Railroad Company and certain of its Employees represented by the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen.*

The President appointed Grady Lewis, of Washington, D. C.; Eugene L. Padberg, of St. Louis, Mo.; and H. Nathan Swaim, of Indianapolis, Ind., as members of this Emergency Board on March 2, 1946, pursuant to the provisions of section 10 of the Railway Labor Act, as amended, and in accordance with his Executive order of March 1, 1946, to investigate and report its findings concerning certain matters then in dispute between the Texas and New Orleans Railroad Company and certain of its Employees represented by the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen.

The Board held its first meeting in Houston, Tex., on March 5, 1946, with all members present. At this meeting the Board elected H. Nathan Swaim as chairman and confirmed the appointment of Frank M. Williams and Company as its official reporter and designated Room 611, Federal Office Building, Houston, Tex., for public hearings, to commence March 6, 1946.

At the first public hearing there were appearances for the Carrier by John P. Bullington, General Counsel; T. C. Montgomery, Manager of Personnel; E. B. Kysh, Assistant Manager of Personnel; T. S. Stewart, Assistant Manager of Personnel; and J. J. Moore, Assistant General Manager. D. E. McNail, General Chairman, Brotherhood of Locomotive Engineers; P. C. Southworth, Assistant Grand Chief Engineer, Brotherhood of Locomotive Engineers; George W. Laughlin, Senior Assistant Grand Chief, Brotherhood of Locomotive Engineers; William E. B. Chase, Deputy President, Brotherhood of Railroad Trainmen; and L. A. Weiss, General Chairman, Brotherhood of Railroad Trainmen, appeared on behalf of said Employees.

THE EMERGENCY

The Texas and New Orleans Railroad Company is a Texas corporation operating approximately 4,400 miles of main line railroad in the States of Texas and Louisiana. Its lines form a network

over these two States and connect with carriers, the lines of which extend from coast to coast. Substantially all of the stock of the Texas and New Orleans Railroad Company is owned by the Southern Pacific Company, a Kentucky corporation, which operates a line of railroad extending from El Paso, Tex., to Portland, Oreg., and another from San Francisco, Calif., to Ogden, Utah.

The controversy here between the carrier and its employees involved approximately 3,500 employees who were members of the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen.

If the strike set for 6 a. m. on March 2, 1946, had been carried out, it would, of course, have substantially interrupted interstate commerce to a degree which would have deprived this entire southwestern section of the country of essential transportation service.

HISTORY OF THE CONTROVERSY

On October 18, 1945, the Brotherhood of Locomotive Engineers and the Brotherhood of Railroad Trainmen circulated a strike ballot among their members who were employees of the Texas and New Orleans Railroad Company in which they listed 31 groups of cases consisting of an aggregate of 660 separate complaints and grievances. These complaints had accumulated over a long period of time, some dating back as far as 1937. The employees involved voted almost unanimously to withdraw from the service of the carrier unless a satisfactory settlement of these controversies could be reached by the representatives of the two Brotherhoods and of the carrier.

In December 1945, Mr. T. E. Bickers was sent to Houston by the National Mediation Board to attempt to mediate the controversies between the parties. Through his efforts, extending from January 3, 1946, to the latter part of February, some fifty or more cases were settled and disposed of.

The Brotherhoods fixed March 2, 1946, at 6 a. m., as the time for the employees to withdraw from the service of the carrier pursuant to their vote on the strike ballot. On March 1, 1946, the President created this Emergency Board to investigate and report regarding the unadjusted disputes still existing between the carrier and its employees. On the afternoon of March 1, 1946, representatives of the carrier and of the Brotherhoods resumed negotiations, which resulted in the settlement of more than a hundred of the cases listed on the strike ballot. These negotiations were then broken off due to a misunderstanding between the parties.

At the first hearing of the Emergency Board, representatives of the Brotherhoods intimated that further negotiations between the parties should result in settlement of many more of the cases listed on the strike ballot. They stated that they were not before our Board officially but were there only as a matter of courtesy to the members of the Board and to the President of the United States and in deference to the provisions of the Railway Labor Act. They represented that approximately 95 percent of the unsettled cases which were then pending were matters that were referable to the first division of the National Railroad Adjustment Board and were therefore matters which an Emergency Board should not hear and determine on their merits. They informed the Board that on March 2 they withdrew the strike date of March 2 at 6 a. m., but that they wanted to make it "Specifically clear to the Members of this Board that the strike was not canceled. It was just postponed."

It was made to appear by both parties that if the Board were to hear the facts involved in all of the 450 unadjusted cases on the strike ballot it would take many weeks.

Of the 450 cases which were still unadjusted at the time this Emergency Board was appointed, at least 95 percent were matters which were properly referable to the first division of the National Railroad Adjustment Board. Some of these matters involved the interpretation and application of awards of said Adjustment Board, while others involved the interpretation and application of the various current agreements between the employee and the carrier. Of the grievances set out in the strike ballot, not more than 18 involved matters which were not referable to the Adjustment Board.

Prior to June 30, 1934, various lines of railroad, now owned by the Texas and New Orleans Railroad Company, were owned by a number of separate companies which were subsidiaries of Southern Pacific Company. On that date, all of the subsidiary companies conveyed their properties to the Texas and New Orleans Railroad Company, and since that date all of the Southern Pacific lines in Texas and Louisiana have been under a single ownership. Prior to that time, the Brotherhoods here involved had negotiated agreements with the various subsidiary companies, and those different agreements with various amendments and supplements still constitute the current agreements under which the carrier and its employees are working. This fact has tended to create disagreements in the interpretation and application of the several agreements.

The parties explained to the Board the general nature of the various classes of cases involved. The Board thereupon suggested

and urged resumption of direct negotiations between the parties as the most expeditious and satisfactory manner of settling the numerous controversies. After extended discussion, the parties were induced by the Board to so resume their direct negotiations.

Such negotiations were resumed on the afternoon of March 6 and continued from that date until March 28, 1946. During that period of time the Board held frequent meetings with the parties to receive reports on the progress of the negotiations and to counsel and advise with them regarding the various matters in dispute.

At the meeting on March 28, 1946, the parties reported that all of the 450 matters which were unadjusted when this Board convened in Houston had been settled by the parties with the exception of two cases.

At that meeting these two cases were discussed by the parties and by the members of the Board and, as a result of such discussions and negotiations, the representatives of the employees and the representatives of the carrier agreed upon their settlement. Thus all controversies listed on the strike ballot were finally settled and disposed of and the strike was then canceled.

During the last week of the hearings and negotiations, it seemed probable that the Board would not be able to complete its investigation and to prepare and submit its report within the 30 days specified by the President's Executive order. At the suggestion of the Board, the parties entered into a written stipulation agreeing that the Board's report to the President might be submitted not later than April 10, 1946. This written stipulation with a letter from the Board was submitted to the President. This letter contained a recommendation that the time within which the investigation might be completed and the report thereon submitted be extended to April 10, 1946. The recommendation and the written stipulation of the parties was approved by the President on March 26, 1946.

The spirit of cooperation and industry manifested by the parties in the successful negotiation of the long list of grievances addresses itself to this Board. We commend them for such public spiritedness that has resulted in the removal of a serious threat to the national economy.

Respectfully submitted,

(Signed) H. NATHAN SWAIM, *Chairman.*

(Signed) EUGENE L. PADBERG, *Member.*

(Signed) GRADY LEWIS, *Member.*