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Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

CREATED MAY 7, 1946
PURSUANT TO SECTION 10
OF THE RAILWAY LABOR ACT

To investigate unadjusted disputes concerning
rates of pay and working rules, between

TRANSCONTINENTAL & WESTERN AIR, INC.
AMERICAN AIRLINES, INC.
AMERICAN OVERSEAS AIRLINES, INC.
BRANIFF AIRWAYS, INC.
CHICAGO AND SOUTHERN AIR LINES, INC.
DELTA AIR CORP.
EASTERN AIR LINES, INC.
NATIONAL AIRLINES, INC.
NORTHEAST AIRLINES, INC.
NORTHWEST AIRLINES, INC.
PENNSYLVANIA-CENTRAL AIRLINES CORP.
UNITED AIR LINES, INC.
WESTERN AIR LINES, INC.

and

certain of their employees represented by the
AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

WASHINGTON, D. C.

JULY 8, 1946

LETTER OF TRANSMITTAL

WASHINGTON, D. C.,
July 7, 1946.

The PRESIDENT,
The White House.

MR. PRESIDENT: The Emergency Board created by you May 7, 1946, pursuant to section 10 of the Railway Labor Act to investigate unadjusted disputes concerning rates of pay and working rules between the Air Line Pilots Association and Transcontinental & Western Air, Inc., and 12 other airlines, has the honor to submit herewith its report and recommendations based upon its investigation of the issues in the disputes.

The members of the Board await your further instructions.
Respectfully submitted.

GEORGE E. BUSHNELL, *Chairman.*
Wm. M. Leiserson, *Member.*
John A. Lapp, *Member.*

**Report to the President by the Emergency Board Created
May 7, 1946, Pursuant to Section 10 of the Railway
Labor Act To Investigate Unadjusted Disputes Con-
cerning Rates of Pay and Working Rules: Transcon-
tinental & Western Air, Inc., et al., and Air Line Pilots
Association, International**

I. INTRODUCTORY

This Emergency Board was created by Executive order of the President, reading as follows:

EXECUTIVE ORDER

**CREATING AN EMERGENCY BOARD TO INVESTIGATE DISPUTES BETWEEN THE TRANS-
CONTINENTAL & WESTERN AIR, INC., AND OTHER CARRIERS, AND CERTAIN OF THEIR
EMPLOYEES**

WHEREAS disputes exist between the following-named carriers:

Transcontinental & Western Air, Inc.
American Airlines, Inc.
American Overseas Airlines, Inc.
Braniff Airways, Inc.
Chicago and Southern Air Lines, Inc.
Delta Air Corp.
Eastern Air Lines, Inc.
National Airlines, Inc.
Northeast Airlines, Inc.
Northwest Airlines, Inc.
Pennsylvania-Central Airlines, Corp.
United Air Lines, Inc.
Western Air Lines, Inc.

and certain of their employees represented by the Air Line Pilots Association, International, a labor organization; and

WHEREAS these disputes have not heretofore been adjusted under the provisions of the Railway Labor Act, as amended; and

WHEREAS these disputes, in the judgment of the National Mediation Board, threaten substantially to interrupt interstate commerce within several States of the Union, to a degree such as to deprive the country of essential transportation service:

NOW, THEREFORE, by virtue of the authority vested in me by section 10 of the Railway Labor Act, as amended (45 U. S. C. 160), I hereby create a board of three members, to be appointed by me, to investigate said disputes. No member of the said board shall be pecuniarily or otherwise interested in any organization of air-line employees or any carrier.

The board shall report its findings to the President with respect to the said disputes within 30 days from the date of this order.

As provided by section 10 of the Railway Labor Act, as amended, from this date and for 30 days after the board has made its report to the President, no change except by agreement, shall be made by any of the above-named carriers or their employees in the conditions out of which the said disputes arose.

HARRY S. TRUMAN.

THE WHITE HOUSE,

May 7, 1946.

The appointment of the members of the Board, consisting of George E. Bushnell, William M. Leiserson, and John A. Lapp, was not completed until May 14, 1946. As thus constituted the Board met at the United States Court House Building in New York City at 10 a. m. on May 17, 1946, and elected George E. Bushnell as its Chairman. Frank M. Williams & Co. was designated as official reporter, and public hearings were begun the same day following the organization of the Board.

Appearances at the hearings for all the air-line companies were the Airlines Negotiating Committee represented by William E. Stevenson, Porter Stewart, and Ralph S. Damon, Chairman of the Committee; the Air Line Pilots Association was represented by Daniel D. Carmel, John M. Dickerman, David L. Behncke, president of A. L. P. A., and William B. Kilgore.

The public hearings extended from May 17 to June 19, 1946, inclusive. The record consists of 3,495 pages of testimony and argument, and 266 exhibits. All findings and recommendations of the Board are based on this entire record. The transcript of the proceedings, and the exhibits are transmitted herewith and made part of this report.

During the course of the hearings the parties to the disputes agreed, subject to approval by the President, to an extension of the time limit stated in the Executive order, and they stipulated on the record that the Emergency Board may make its report to the President on or before July 7, 1946. The stipulation was approved by the President on June 7, 1946.

The Executive order lists 13 disputes for investigation and consideration by the Emergency Board. These are designated in the files of the National Mediation Board, as follows:

Case A-2219. Transcontinental & Western Air, Inc.

Case A-2231. American Airlines, Inc.

Case A-2241. American Overseas Airlines, Inc.

Case A-2242. Braniff Airways, Inc.

Case A-2243. Chicago & Southern Air Lines, Inc.

- Case A-2244. Delta Air Corp.
- Case A-2245. Eastern Air Lines, Inc.
- Case A-2246. National Airlines, Inc.
- Case A-2247. Northeast Airlines, Inc.
- Case A-2248. Northwest Airlines, Inc.
- Case A-2249. Pennsylvania-Central Airlines, Corp.
- Case A-2250. United Air Lines, Inc.
- Case A-2251. Western Air Lines, Inc.

Separate findings and recommendations will be made in each of these cases.

Throughout the proceedings the Air Line Pilots Association maintained the position that only case A-2219 (TWA) was properly before the Emergency Board. It contended that a strike vote was taken only among the pilots of the TWA, and that there was no emergency in any of the other cases because no strike votes were taken on any of the air lines involved in the other cases. These other 12 cases, the association argued, were in various stages of process required by the Railway Labor Act, in mediation or in joint conferences of the parties, or the bargaining conferences had not yet been held. The association stated on the record its willingness to present evidence on the status of the 12 cases, but not on the merits.

The carriers, on the other hand, contended that the disputes between the Pilots Association and all the 13 companies listed in the President's Executive order of May 7 were properly before the Board, subject to its investigation and consideration. They maintained that the Railway Labor Act authorized the National Mediation Board to determine when in its judgment substantial interruption of interstate commerce was threatened and to report to the President accordingly. Further, the act provides that the President may, "in his discretion" create an Emergency Board. He exercised this discretion when he appointed the Board, and his Executive order listed all 13 disputes for investigation and report.

The Emergency Board decided to hear first TWA case A-2219, and the record consists mainly of the testimony and arguments in this case. Thereafter each of the other 12 cases was called up in turn. The Pilots' Association explained the procedural status of each case according to its position, but presented no further evidence. The carriers stated that the evidence and arguments they had presented in the TWA case were equally applicable to all the other cases, except for some minor matters on which they submitted supplementary testimony.

At the conclusion of the hearings the Board met jointly with the parties, and also separately, in an effort to secure a settlement of the

disputes by mutual agreement.¹ After 2 days of these efforts, it became apparent that the parties were either unable to agree to a settlement except on their own terms or they preferred to await the Board's recommendations. The Board therefore adjourned the sessions and began preparation of this report.

II. BACKGROUND OF THE DISPUTES

Rates of pay for pilots and copilots flying new types of four-engine planes known as Douglas Skymaster (DC 4) and Lockheed Constellation, and working rules related to the operation of these planes in international service are the basic issues in the disputes on all 13 air lines submitted to the Board for investigation and recommendations. But the way in which the parties themselves attempted to bargain about these issues, and the procedures followed by the National Mediation Board in mediating the disputes developed supplementary issues which served to complicate and intensify the differences between the parties.

Among the supplementary issues is one already mentioned, whether, in view of the strike authorization being confined to the TWA pilots' case A-2219, an emergency exists on any of the other 12 air lines. In addition, controversies developed as to whether joint negotiations on an industry basis by a committee representing all the 13 companies is authorized by the Railway Labor Act (except by mutual agreement of the parties); whether the act authorizes the National Mediation Board to consolidate cases for mediation purposes in the absence of mutual agreement; whether the necessary timely notices of desire to change existing contracts have been given; whether the services of the Mediation Board were legally invoked by the carriers in 11 of the 13 cases; and whether the duty imposed by the act on carriers and employees alike to try to adjust their disputes in joint conferences of authorized representatives has been carried out.

The first of the disputes arose on the Transcontinental & Western in the fall of 1945. By mutual consent this carrier and the Pilots' Association began negotiations of a supplement to their existing collective agreement to cover rates of pay and rules for Skymaster and Constellation planes. Conferences were held intermittently between November 28 and December 12. On the latter date, when it appeared that no agreement could be reached, the TWA Company invoked the services of the National Mediation Board. The case was

¹ This was done pursuant to a paragraph in the President's letter of appointment to each of the members of the Board which reads as follows: "The Board will organize and investigate promptly the facts as to such disputes, and on the basis of the facts thus developed, make every effort to adjust the disputes and report thereon to me within 30 days from the date of the Executive order."

docketed as A-2213 and mediator Carpenter was promptly assigned to handle it. Within a week, however, the mediator gave up hope of securing a settlement by agreement, and on December 19 a formal proffer of arbitration as required by the Railway Labor Act was submitted to the parties. The Pilots' Association accepted arbitration, but the company withdrew the application it had made for the Mediation Board's services. The Board then closed case A-2213.

The Pilots' Association immediately notified the Mediation Board that it was invoking the Board's services on the same issues, and a formal application for mediation was filed with the Board on December 21. This case was docketed as A-2219, and was assigned for mediation to Board member Frank P. Douglass. When mediation conferences began in Chicago on January 11, 1946, all three members of the Mediation Board were present. The meetings were continued through January 14 when they broke up in disagreement mainly because of a controversy over the right of an industry committee to represent the air-line carriers.

In the latter part of December 1945, TWA together with the 12 other air-line companies each executed a power of attorney to the Airlines Negotiating Committee designating the committee as its collective bargaining representative, and authorizing it to negotiate agreements on rates of pay and rules for flying the new four-engine equipment, both in domestic and international service. On December 28, R. S. Damon, Chairman of the Air Lines Negotiating Committee addressed a letter to David L. Behncke, president of the Pilots' Association, informing him of these arrangements and requesting his cooperation in handling the problems raised by the new equipment on an industry-wide basis.²

Under date of January 10, 1946, Mr. Behncke replied by telegram stating that the Pilots' Association "stands ready to deal singly with the duly authorized representatives on behalf of a company * * * in the same manner that each of the existing pilots employment agreements were negotiated." This was supplemented by another telegram dated January 22 stating that counsel for the Pilots' Association had

² The pertinent paragraphs containing this proposal are: "We realize, as do you, that the air-line industry is confronted with the possibility of a rather fundamental revision of decision 83, as applied to pilots' pay for heavier aircraft. We feel that it is unrealistic and, at the same time, unfair both to our pilots and to air-line management to expect that such a revision can be satisfactorily accomplished on the basis of individual air-line negotiations.

"We, therefore, request your earnest cooperation in our efforts to handle this critical problem on an industry-wide basis. To that end we hereby invite you to meet with our committee in Chicago on January 7, 1946, at which time we propose to begin conferences on the four-engine pilot pay problem on behalf of the air lines named at the beginning of this letter."

advised that the Airlines Negotiating Committee "is in violation of law."³

When the committee appeared at the mediation conferences in Chicago to represent the TWA company this controversy became the major issue and agreement on the pay and rules issues became impossible.

On January 24, Board member Douglass resumed in Washington the mediation proceedings that had broken down in Chicago on the 14th. Meetings continued through the 27th, when they were recessed until February 4 owing to the necessary absence of Mr. Douglass. This time discussions were confined to the pay and rules questions of the TWA case, and the Pilots' Association apparently had no objection to dealing with the air-lines committee as the representative of the TWA company in handling this particular case. But to keep the record of its position clear, the association wrote to Mr. Douglass explaining that this was not to be considered "as a precedent for or acceptance of * * * the concept of industry-wide bargaining of pilots' wages, hours, or working conditions."

During the recess, on January 29, the air-lines negotiating committee filed an application for mediation with the National Mediation Board in behalf of the TWA company in regard to the same subject matter that was in dispute in the TWA case which had been docketed as A-2219 on the basis of an application by the Pilots' Association. Apparently the committee was not satisfied with the wording of the questions to be mediated in the association's invocation.

The Mediation Board considered the subject matter of the committee's application to be the same as in case A-2213 which it had closed when the company withdrew its application; and it advised the parties that the committee's invocation of January 29 would be "combined for mediation" with TWA case A-2219. At the same time it notified them that the mediation proceedings in the combined case would be commenced on February 4 in New York City by Mediator Ross J. Foran.

Meanwhile the Mediation Board had accepted an application from the Pilots' Association dated January 7, for mediation of a dispute involving the same issues of rates of pay and rules on the American Airlines, and it had docketed this case as A-2231. Also, under

³ The complete telegram reads as follows :

"R. S. DAMON,

"President, American Airlines, Inc.

"Our chief counsel has advised us that the so-called Air Line Negotiating Committee in which officers of other air lines are members and representatives of or acting for single air lines with whom negotiations are requested is in violation of law and therefore we cannot meet with an illegal set-up. We stand ready to meet with officers of the individual air lines on their own behalf at any time.

"D. L. BEHNCKE, A. L. P. A."

date of January 29, the air lines negotiating committee had by telegram applied for mediation on behalf of each of the other 11 air-line companies as listed in the President's Executive order quoted above. (Formal applications in these cases were filed a few days later.) Then under date of February 1, 1946, the Mediation Board advised the carriers' committee and the Pilots' Association that these disputes had been given case numbers consecutively from A-2241 to A-2251, and that these disputes had also been assigned to Mediator Foran "who will mediate them concurrently (in New York) commencing Monday, February 4, with cases A-2219 and A-2231 and on the same basis of representation."

The Pilots' Association vigorously protested the transfer of mediation proceedings from Washington to New York, as well as the concurrent handling of the cases. It complained also that the changing of mediators, first Carpenter, then Douglass, and now Foran "was distinctly to the disadvantage of settling the case," and it insisted that the mediation proceedings in case A-2219 be resumed in Washington as had been the understanding when the recess was taken. The Mediation Board then directed Foran to resume mediation in Washington and meetings were held in that city from February 6 to 12. The pilots' representatives understood that only TWA case A-2219 was being mediated, and considerable progress was made at these meetings toward agreeing on the wording of an arbitration submission. But no agreement could be reached mainly because the carriers wanted any arbitration award to be applicable to all the air lines while the pilots insisted it must be limited to the TWA.

On February 12, at the request of the carriers' committee, the Mediation Board finally decided to transfer the mediation conferences from Washington to New York, and by telegram notified the Pilots' Association that Mediator Foran would continue mediation there on February 13, not only of the TWA case but all the other cases as well.⁴

At first the pilots' representatives refused to meet in New York, but on the 14th they did appear, insisting, however, that they were not authorized to deal with any other case than A-2219. They objected further that cases A-2241 to A-2251 were not properly before the Mediation Board because the necessary notices had not been given

⁴ The telegram, signed "By order of the National Mediation Board," read:

"Reference request Air Carrier Negotiating Committee that mediation of cases A-2219, A-2231, and A-2241 through A-2251, be conducted at New York City, to which the Air Line Pilots' Association objects. In absence of agreement between parties as to conference point Board must hold, in accordance with the customary practice, that mediation will be conducted at headquarters of Carriers' Negotiating Committee, which is New York City. Mediation will therefore be transferred to that city. Mediator Foran will be at New Yorker Hotel on Wednesday, February 13, 1946, to continue mediation of above listed cases."

by the air-line companies to the pilots requesting changes in existing contracts which did not expire for some time to come; and they protested also that there had been no direct collective bargaining between the parties in these cases, as required by law, and therefore the cases were improperly docketed for mediation.⁵

Finally, on February 15, although much of the Chicago and Washington conferences had been concerned with the wording of an agreement to arbitrate, a formal written proposal was again presented to the parties to submit the TWA dispute to arbitration, as had previously been done in case A-2213:

The Carriers' Negotiating Committee and the Pilots' Association both accepted, on February 18 and 21, respectively. Then for 8 days, from February 27 to March 8, additional meetings were held in New York between the parties and with Mediator Foran, in further attempts to agree on the wording of the questions to be arbitrated.

While these efforts were being made a new complication arose which precipitated the strike vote on the TWA lines. Under date of March 4, the Secretary of the Mediation Board wrote to Mr. Damon, chairman of the air-lines committee referring to the committee's application of January 29 which had been combined for mediation in case A-2219. "It is, therefore, requested," wrote the Secretary "that you prepare formal application * * * setting forth the specific question in dispute and attaching copy of any notice served upon the Air Line Pilots' Association * * * under the terms of section 6 of the Railway Labor Act."⁶

Promptly on March 5, Mr. Damon, by wire, requested clarification of the letter "in order that we may review our position relative to arbitration, if there is still any misunderstanding." And on the next day he wrote to Mediator Foran withdrawing the committee's acceptance of arbitration "pending such clarification and thereafter we will review our position and advise you." When Mediator Foran advised the Pilots' Association of these developments, the association wired to the Mediation Board on March 11:

There is nothing further that the association can do except take the strike vote which is now in progress covering pilots and copilots on domestic and international operation of TWA.

⁵ After the Civil Aeronautics Board approved the organization of the Carriers' Negotiating Committee under the Civil Aeronautics Act, the pilots no longer questioned the legality of the committee to act as the bargaining representative of any individual air line that designated it as such.

⁶ The record is not clear as to the reason for this request that a new application for mediation be filed by the carriers' committee for mediation of TWA case A-2219. It may be because the arbitration proposal accepted by both parties had referred only to the case as submitted by the Pilots' Association, and not at all to the committee's invocation of January 29. Or it may be because the Board thought that no notice had been served by the TWA on the Pilots' Association as required by their contract and by the Railway Labor Act.

Meanwhile, by letter dated March 7, the Mediation Board's Secretary requested Mr. Damon to cancel his letter asking for a new application, and stating that Mr. Behncke had been advised accordingly. On March 12, Mr. Damon replied with a telegram reinstating his committee's acceptance of arbitration on the TWA case. The same day the Mediation Board wired to both parties:

In view of the likelihood that the mediator will now be able to secure an arbitration agreement in this dispute we urge that the strike vote be abandoned and both parties cooperate with the mediator in working out the details of the question to be arbitrated.

This referred to case A-2219, as the TWA dispute was the only one in which arbitration had been offered and accepted in February. But when arrangements were being made for resuming meetings in New York to work out the arbitration questions further misunderstandings developed out of the attempt to mediate the 13 cases concurrently. A joint meeting for the purpose of wording the TWA arbitration question could not be arranged until March 26 although the representatives of the Pilots' Association arrived in New York on the 20th prepared to do this. They insisted, however, that they were not authorized to deal with the other cases. The Mediation Board and the carriers committee wanted all the cases disposed of, and there was maneuvering to get the arbitration to cover all of them.

In the interim while the acceptance of the TWA arbitration had been withdrawn, mediation of case A-2231 American Airlines was begun by Foran, despite the fact that this case had been included with A-2219 and the other cases for concurrent handling on February 4. Conferences lasting from February 27 to March 8 ended in failure because the issues were the same as in the TWA case. Between March 12 and 16, Foran also mediated and settled a case on the American Overseas Airline, not included in the Emergency Board disputes, because he thought it might assist in the settlement of the TWA case. Foran, however, was unable to arrange a meeting of the parties for disposing of the TWA case, because the carriers committee still wanted all the cases handled together, and the Pilots' Association refused to deal with the committee on this basis.

When, on March, 26, the meeting was finally held to discuss the wording of the arbitration question, it ended in a hopeless deadlock. The carriers committee insisted that the arbitration award must be applied to all the cases, and the association that it must be applicable to the TWA only. The pilots' representatives immediately left New York, and the next day by telegram notified the Mediation Board that the strike vote of all TWA pilots and copilots had been completed and that they had voted 812 to 9 for a strike. The same day, March 27, the Mediation Board, apparently interpreting the TWA strike

vote as an emergency affecting all the lines, wired to the Pilots' Association that further mediation by Mr. Foran is suspended and that the Board members themselves will commence mediation in New York on April 1.⁷

On the appointed day the Pilots' Association appeared by its attorney and another representative, but the representatives would not meet with the Air Lines Negotiating Committee to discuss any other than TWA case A-2219.

The Board attempted for 3 days to mediate all the cases concurrently. The first day it presented a written statement to the parties explaining the status of the cases in mediation and how the Board proposed to proceed in handling them. On April 3, the pilots' representatives answered this statement by reading a long answer to the Board members recounting all that had happened in the handling of the cases, and reiterating the position it had taken throughout the proceedings.

The Board thereupon made another formal proffer of arbitration to both parties—this time including all the cases, A-2219, A-2231, and A-2241 to A-2251. The carriers negotiating committee accepted. The Pilots' Association gave no answer, but merely notified the Board that it was proceeding with arrangements for the strike on the TWA lines to be called some time during the week of April 21.

Shortly thereafter, as stated in the President's Executive order, the National Mediation Board found that in its judgment "these disputes * * * threaten substantially to interrupt interstate commerce * * *" and the President thereupon created the Emergency Board on May 7, 1946.

III. THE AIR-LINE INDUSTRY AND PILOTS

Twelve air-line companies involved in the series of cases before this Board operate approximately 55,000 miles of domestic lines.⁸ The 12 companies had a total of nearly 57,000 employees in April 1946, of whom 2,344 were first pilots and 2,988 were copilots. The pilots and copilots constituted about 9.4 percent of the total employees. These companies used a total of approximately 660 aircraft of which 415 were the Douglas DC-3's and 205 were Skymasters and Constella-

⁷ The full telegram reads:

"Under section first (b) of the Railway Labor Act which provides that the Mediation Board may proffer its services in case any labor emergency is found by its to exist at any time, the Board members will be in New York, N. Y., on Monday, April 1 to commence mediation in cases A-2219, A-2231, and A-2241 to A-2251, inclusive. Name of hotel and conference time will be furnished later. Further mediation by Mr. Foran is therefore suspended."

⁸ American Overseas Airlines, operating solely in overseas international operations, not included.

tions. In all companies the DC-3 was the craft almost exclusively used at the time of the introduction of 4-engined craft in 1945. The 4-engined craft in use and on order will in the immediate future equal the number of DC-3's.

Revolutionary changes took place in the air-lines industry with the introduction of the Douglas DC-3 model in 1934. This plane flying at a speed of 160 miles per hour became the favored equipment of all the companies, as shown by the present use of over 400 of this model out of a total of about 660 planes in use. The Stratoliner, with a speed of 190 miles per hour was introduced by TWA in 1940 but was largely withdrawn for war service. At present, that company has 5 in use.

The Douglas Skymaster and Lockheed Constellation with speeds of 205 and 245 miles per hour respectively, were introduced in 1945 and by May 1946 over 200 of these planes were in operation and 200 more of these and other 4-engined craft were on order.

During the period since 1933, the industry has been noted for the rapidity of technological changes in aircraft, in ground equipment, and flying controls. It is a far cry from the simple days when a pilot took off from an improvised field, without radio, to the present day intricate ground and control equipment. With this growth has come the necessity for vastly increased ground, office, and administrative personnel. The future opens the prospect of equally rapid changes in airplanes and in control equipment.

The vocation of air-line pilot is an exacting one. Men are chosen for the work after careful physical, mental, and psychological examinations. They are examined frequently and their ability to function effectively is constantly checked. Probably no workers bear such immediate responsibility as the pilots. Upon their effective functioning depends the protection on a large scale of life and property. Pilots are not supermen but they must be well endowed. Testifying before the Board, Dr. Ross A. McFarland of Harvard University said:

Piloting a modern airplane does not necessarily demand a person of unusual physical make-up, but only normal men who are well endowed mentally and physically with emotional traits of stability and poise.

Expert evidence indicates that the active flying life of an air-line pilot may extend up to 50 years. The 13 air lines had, in 1945, 29 first pilots over 50 years of age and 9 supervisory pilots over that age. Dr. McFarland added:

It is recognized that they are a highly selected group and that if they live wisely with regard to diet and exercise, and avoid the excessive use of alcohol and tobacco, they may be able to fly until they are 50 or 55 years of age. When they reach this age, questions relating to their being grounded will naturally arise.

Further the witness said:

I think as I indicated before, if these men take care of themselves, which on the whole they do, they should be able to fly until they are 50. Now beyond 50, or some below 50, I think we have to wait for evidence.

It would appear from this authoritative statement, that flying careers may be longer than generally believed but that the chance of continuing beyond 50 is doubtful. The rigidity of physical and mental requirements, make certain that large numbers will be grounded before 50 years of age.

The question of occupational longevity of flyers has always been considered an important one, in justifying high incomes for air-line pilots. The length of the working life is alleged to justify incomes sufficiently high to protect the flyer against early retirement. Unlike the professional man who at 50 may be at the peak of his earning capacity, the pilot, at that point or earlier, has reached the end of his flying career and must be prepared to retire or to seek other employment.

THE HAZARDS OF FLYING

The National Labor Board in 1933 appointed a fact-finding committee headed by Bernard Shientag, to report on wages and working conditions in the air-line industry. The committee gave special attention to pilot hazards, and the decision of the Board, which became known as decision 83 (see pp. 30), was predicated, to some extent, on the findings of the committee, that increased speeds increase the hazard to the pilots.

The record since 1933 indicates that the prediction of greater hazard at higher speeds was unfounded. Not only has speed increased far beyond that in effect or predicted in 1933 but the rate of fatal accidents has greatly decreased.

The Shientag committee in 1933 gave the fatalities for pilots for the years 1928 to 1933, compiled from the records of the United States Department of Commerce, as follows:

Year	Number of pilots and copilots	Number killed	Rate per thousand
1928.....	217	9	42
1929.....	266	23	87
1930.....	348	8	23
1931.....	469	13	28
1932.....	508	18	35

The fatality rate has steadily decreased until a record of only 2.6 fatalities per thousand of pilots employed was made in 1945. The record for 1944 and 1941 was respectively 3.2 and 3.0 per thousand.

The lowered fatality rate is reflected in pilot's insurance rates which

in 1931, were \$50 extra premium per thousand, whereas the extra premium is now \$2.50 per thousand (Car Ex. 77).

The hazards of pilots compare favorably with other similar employments. The fatality rate for 1945 was 2.6 per thousand air-line pilots employed. The fatality rates on the railroads in 1945 were:

	<i>Per thousand</i>
Yard brakemen and helpers-----	3.4
Local and way freights brakemen and flagmen-----	3.2
Road passenger engineers-----	3.2
Yard conductors and foremen-----	3.0

LIMITATION OF HOURS AND MILEAGE

Decision 83 fixed a maximum of 85 hours per month for air pilots. The decision reads: "85 hours of flying shall constitute the monthly maximum for air pilots." This provision was enacted into law and is now embodied in the Civil Aeronautics Act of 1938. It is expressly made clear in the act that this is the maximum and that more favorable conditions may be secured by agreement between the parties. The limitation to 85 hours of flying has been adhered to in the collective agreements between the Air Line Pilots' Association and the air-line companies and no change has been made lowering the maximum hours.

It should be understood that the limitation to 85 hours per month does not mean that all flyers fly up to that maximum. Difficulties of scheduling a maximum or below result in an average somewhat lower than the maximum. Should a limitation of 80 hours per month be made the difficulties of scheduling would result in lowering the average somewhat below the maximum.

Decision 83 made no limitation on monthly mileages but on the contrary stated: "Experience has not crystallized sufficient to put a maximum on the monthly mileage of air pilots." A limitation at that time based upon experience would probably have been somewhere around 15,000 miles, which increased speeds would have rendered obsolete. The parties have not provided by agreement in air-line collective contracts for any mileage limitation below that in decision 83.

IV. WAGE HISTORY OF THE INDUSTRY

Pilots were compensated on a mileage basis prior to 1933. The operating companies during the period 1931-33 abandoned this method and on October 1, 1933, set up a combination of base pay and hourly flying pay. A dispute with the Air Line Pilots' Association was precipitated which was submitted to the National Labor Board. The Board created a fact-finding committee, headed by Bernard L. Shientag, which submitted a report on November 29, 1933. Thereafter the

National Labor Board, in May 1934, issued decision No. 83 which became the minimum basis for wages in the industry.

The Air Line Pilots' Association contended for a continuance of mileage pay and proposed a rate of 4 cents per mile for day flying, 7 cents a mile for night flying, and 5 and 9 cents respectively when flying over hazardous terrain. This mileage pay was in addition to a proposed base pay of \$1,800 to \$3,000 a year.

The rates put into effect by the companies and contended for before the National Labor Board, were \$4 per hour for flying under 125 miles per hour with 20 cents increase in increments up to 200 miles per hour where the rate became \$5 per hour. Two dollars per hour were added for night flying. These payments were in addition to base pay of \$1,600 to \$3,000 per year.

The Board considered the rates put into effect by the companies to be "inadequate" for the higher speeds. It accepted the base pay that had been established by the companies, the hourly pay for day and night flying and the existing differentials for flying over hazardous terrain. In addition the Board allowed mileage pay under certain conditions.

The Board said with respect to its award:

It would seem advisable, therefore, to adopt a basis of pay under which both the company and the employees would share in the benefits accruing from the new equipment and bear the burdens that will attend its introduction in the beginning. Various bases of compensation were accordingly studied that promised to attain this objective and a combination of both methods of payment was devised. The Board's report summarizing these studies was submitted to the parties for their criticism and suggestions. It thus appears that the method of payments recommended by the Board will impose no undue burdens upon the companies; that it can be administered without any practical difficulties and that it provides an adequate basis of compensation for the pilots.

Decision 83 provided as follows:

1. Eighty-five hours of flying time shall constitute the monthly maximum for air pilots.
2. Experience has not crystallized sufficiently to put a maximum on the monthly mileage of air pilots.
3. The rate of base pay shall be \$1,600 a year with an increase of \$200 for each year of service up to a maximum of \$3,000.
4. Air-line pilots shall be paid the base rate plus an hourly rate of \$4, \$4.20, \$4.40, \$4.60, \$4.80, and \$5 for day flying and \$6, \$6.30, \$6.60, \$6.90, \$7.20, and \$7.50 for night flying at hourly speeds of under 125 miles, 125 miles (sic), 140 miles, 155 miles, 175 miles, and 200 miles or more miles, respectively. In addition, at monthly mileages of under 10,000, 10,000, to 11,999 miles, and 12,000 miles and more respectively, the pilot shall be paid 2 cents, 1½ cents, and 1 cent a

mile for all miles per hour flown at an hourly speed of more than 100 miles.

5. This award shall remain in effect for a period of 1 year.

6. The differentials existing on October 1, 1933, for copilots and for flying over hazardous terrain shall be maintained.

In tabular form, decision 83 is summarized as follows:

Base pay:		Base pay:	
First year	\$1,600	Fifth year	2,400
Second year	1,800	Sixth year	2,600
Third year	2,000	Seventh year	2,800
Fourth year	2,200	Eighth year and thereafter	3,000

Hourly flying pay:		Day	Night
Under 125 miles per hour		\$4.00	\$6.00
125 to 140 miles		4.20	6.30
140 to 155 miles		4.40	6.60
155 to 175 miles		4.60	6.90
175 to 200 miles		4.80	7.20
Over 200 miles		5.00	7.50

Mileage pay:		Monthly
DC-3		\$51.00
DC-4 Skymaster		89.00
Constellation		123.25

Hazardous terrain:

One dollar per hour for day flying.

Two dollars per hour for night flying.

Decision 83 was by its terms to be in force for 1 year but before its expiration it was enacted into law and eventually placed in the Civil Aeronautics Act of 1938 in the following terms:

Every air carrier shall maintain rates of compensation, maximum hours and other working conditions and relations of all of its pilots and copilots who are engaged in interstate air transportation within the Continental United States (not including Alaska) so as to conform with decision numbered 83 made by the National Labor Board on May 10, 1934 * * *.

The rates of pay of decision 83 were thus perpetuated in the statutes but it was expressly provided that these were minimum rates, and that higher rates could be secured by collective bargaining.

The rates established for base pay, hourly flying pay, mileage pay, night flying pay, and hazardous terrain pay have been continued without change and remain the same today as when formulated in 1933. Certain so-called fringe increases have added slightly to the pay of pilots, but the rates, otherwise have remained constant except for adjustments following introduction of the Stratoliner. (See p. 39.)

The pay formula of decision 83 resulted on TWA in an annual average pay of \$8,822 for pilots in 1941. Tabulation of averages for all major companies at that time shows the following:

United -----	\$9,022	Chicago & Southern -----	\$8,117
TWA -----	8,822	Braniff -----	7,924
American -----	8,302	Delta -----	7,819
Northwest -----	8,093	P. C. A. -----	7,856
Eastern -----	8,374	Northeast -----	7,268
Western -----	8,210	National -----	7,070

Comparison with 1934, shows that a group of TWA pilots, then in service, drew an average of \$5,878 for the year 1934 while the same group still in service in 1945 drew an average of \$11,706 for the year. The American Airlines, operating on the same basic wage scales, showed average wages from 1934 to 1945 of a group of pilots on the roster in 1934 and 1945 (Carriers Ex. No. 24).

1934 -----	\$5,619.64	1940 -----	\$8,931.61
1935 -----	6,257.35	1941 -----	9,097.39
1936 -----	7,228.41	1942 -----	9,266.37
1937 -----	7,807.34	1943 -----	9,739.47
1938 -----	8,077.68	1944 -----	10,148.88
1939 -----	8,645.85	1945 -----	10,364.45

The figures for the war years are for both of the above companies somewhat abnormal, on account of the higher pay in military contract operations. The averages are somewhat misleading, not exactly comparable because all of the pilots in the later years were in the highest pay bracket (i. e., 8 years of service or more), while in 1934 a large part were in the lower pay brackets and the average would be somewhat lower.

FIRST PILOT'S PAY

A pilot's pay is calculated as follows: The base pay for an 8-year man at present is \$250 per month. The pilot receives that much whether he flies or not; it is a guaranteed minimum. When he flies, a pilot receives hourly pay ranging from \$4 per hour for day flying at speeds less than 125 miles per hour, up to \$5 per hour for speeds of 200 miles or over per hour. Night flying is compensated at a rate 50 percent higher in each classification. Mileage pay is allowed at 2, 1½, and 1 cent per mile for that part of monthly mileages flown at more than 100 miles per hour. (One cent per mile when the monthly mileage is 12,000 or more; 1½ cents when monthly mileage is between 10,000 and 12,000 miles and 2 cents when it is less than 10,000 miles.)

Example: If the total mileage flown in 85 hours at 160 miles per hour is 13,600 miles, then that portion flown at more than 100 miles per hour (13,600-8,500) would be 5,100 miles which at 1 cent per mile would be \$51 for the month.

An allowance per mile for flying over hazardous terrain was embodied in some agreements before 1934 and these agreements were

perpetuated by decision 83 and are now embodied in the Civil Aeronautics Act. The TWA had no such agreement and does not now pay a terrain differential. Where terrain pay is allowed it adds \$1 an hour for day flying and \$2 an hour for night flying.

Thus an 8-year pilot flying half day and half night, for 85 hours at 160 miles per hour over hazardous terrain now receives the following monthly compensation:

Base pay-----	\$250. 00
Hourly flying pay-----	488. 75
Mileage pay-----	51. 00
Terrain pay (half day and half night)-----	127. 50
	<hr/>
	917. 25

If the same pilot were to fly entirely at night over hazardous terrain he would receive a total:

Base pay-----	\$250
Hourly flying pay-----	586
Mileage-----	51
Terrain-----	170
	<hr/>
Total per month-----	1, 057

Mileage pay per month under decision 83, calculated on the basis of 85 flying hours per month, half day and half night flying, is \$51 for the DC-3, \$76.50 for the Stratoliner, \$89.25 for the Skymaster, and \$123.25 for the Constellation.

On the basis of an 80-hour month, the monthly mileage pay would be:

DC-3-----	\$48
Stratoliner-----	72
Skymaster-----	84
Constellation-----	116

The pay rates for pilots under decision 83 for an 85-hour month makes it possible to earn the following:

	<i>First-year pilot</i>	<i>Fourth year pilot</i>	<i>Eighth-year pilot</i>
DC-3-----	\$8, 077	\$8, 677	\$9, 477
Stratoliner-----	8, 638	9, 238	10, 038
DC-4-----	9, 046	9, 646	10, 446
Constellation-----	9, 454	10, 054	10, 854

Composite hourly earnings for pilots at 85 hours per month showing all three elements of pay brought together in an hourly rate are:

	<i>Eighth year</i>	<i>Fourth year</i>	<i>First year</i>
100 miles per hour-----	\$7. 94	\$7. 29	\$6. 57
160 miles DC-3-----	9. 29	8. 64	7. 27
205 miles DC-4-----	10. 24	9. 59	8. 87
245 miles Constellation-----	10. 64	9. 99	9. 27

COPILOTS' PAY

Decision 83 accepted the differentials in effect at the time for copilots. The pay of copilots in domestic service was then, and has continued since, on a monthly basis. The rates of pay for copilots on TWA in 1934, perpetuated as a minimum in decision 83 and later by law, were:

	<i>Per month</i>
First 6 months.....	\$190
Second 6 months.....	210
Third 6 months.....	225
Thereafter	225

These rates were later increased by collective bargaining.

The position of copilot is considered as a stepping stone to the position of pilot. Those who become copilots expect promotion as pilots after a reasonably adequate apprenticeship. Very few, if any, copilots expect to remain as copilots. The average time for promotion is about 2½ years under the present conditions of rapid growth. Under more normal conditions promotions are likely to be less rapid. Inasmuch as copilots are expected to be in training for promotion as pilots, their selection by the companies takes that fact into consideration in passing upon their qualifications. Men who do not possess the qualifications to become pilots are not likely to be considered for the position of copilot.

Copilots in domestic service are compensated on a monthly basis without additions for flying hours, mileage, night flying, or hazardous terrain. The rates of pay of copilots on TWA, compared with 1934, are:

	<i>1946</i>	<i>1934</i>
First 6 months.....	\$220	\$190
Second 6 months.....	240	210
Third 6 months.....	260	225
Fourth 6 months.....	280	225
Fifth 6 months.....	300	225
Sixth 6 months.....	320	225
Seventh 6 months.....	340	225
Eighth 6 months.....	360	225
Ninth 6 months.....	380	225
Tenth 6 months.....	380	225
Thereafter	380	225

In addition for flying Boeing Stratoliners, copilots receive \$40 per month additional on TWA in accordance with arbitration awards (1941 and 1945).

The rates above for copilots are approximately the same in most of the major airlines.

STRATOLINER AWARD

Decision 83 has been adhered to since 1934 with one exception on TWA. When the Stratoliner was introduced in 1940 a dispute arose over the rate to be allowed pilots and copilots for flying that craft. The association claimed that it was a new, heavier, faster, and more productive craft and the issue went to arbitration in 1941. The board of arbitration, without stating reasons, allowed an additional 80 cents an hour for day flying and \$1.20 for night flying for pilots and \$20 a month for copilots. A second arbitration was held in 1945 when a new model of the Stratoliner was introduced and a board of arbitration, again without giving reasons, allowed a further increase on the new Stratoliner of 80 cents an hour for day flying and \$1.20 for night flying and an additional monthly payment of \$20 to the copilots.

INTERNATIONAL DIVISION

International commercial flying had not begun when decision 83 was made and overseas flying was not in the contemplation of the framers of that decision. TWA did not begin international flying until World War II. Then by special arrangements, the company carried on operations primarily for the Federal Government, known as the Inter-Continental Division. The company guaranteed pilots a minimum of \$1,100 a month in such operations, and \$400 to copilots. The work had many elements of war risk. Other companies had similar flying arrangements. American paid \$1,018.25 per month of 85 hours; United paid \$1,018.25; and Northeast paid \$1,150 in these military contract operations.

American paid in the military contract operations \$572.50 per month of 85 hours to copilots. United paid \$592.50 and Northeast paid \$637.13.

In regular commercial overseas operations, TWA pays \$380. Pan American pays \$570 and American Overseas pays \$500 a month.

Pending the writing of a new agreement, TWA has continued to guarantee \$1,100 per month to pilots in overseas service and \$380 per month for copilots. Compensation for flight engineers is \$500 per month, navigator \$600 per month and radioman \$475 per month.

V. TWA CASE A-2219—RATES OF PAY

TWA WAGE ISSUES

The wage increase pay demands are separate for domestic and international service and vary with different types of equipment.

First pilots' total monthly pay consists of three components; base pay, hourly flying pay, and mileage pay.

DOMESTIC SKYMASTER FIRST PILOT DEMANDS

BASE PAY

Three hundred dollars per month, with an increase of \$25 per month for each year of service up to \$475 a month for the eighth year and thereafter.

The present base pay begins at \$133.33 per month (\$1,600 per annum) and increases at the rate of \$200 a year to a maximum of \$250 per month (\$3,000 per annum) for the eighth year and thereafter.

HOURLY FLYING PAY

Increases are sought in this component for both daytime (6 a. m. to 6 p. m. standard time) and nighttime (6 p. m. to 6 a. m.) flying speeds of 200 miles per hour and over.

The present hourly rates for day and night flying begin at \$4 and \$6 per hour at speeds under 125 miles per hour and increase at the rate of 20 and 30 cents for each bracket of increased speed, reaching a maximum of \$5 and \$7.50.⁹

Above 200 miles per hour the increase sought in hourly flying pay is 40 and 60 cents per hour, respectively, for day and night flying in each increased speed bracket up to but not including speeds of 320 miles per hour, reaching a maximum of \$6.40 and \$9.60.

MILEAGE PAY

In addition to base pay and hourly flying pay, first pilots receive a pay component based on total miles flown in a given month which presently is 2 cents a mile under 10,000, 1½ cents for the next 2,000 miles, and 1 cent per mile for 12,000 miles or more. This factor is for all distance flown at more than an hourly speed of 100 miles.

The pilots ask an increase in mileage pay to 4 cents, 3 cents, and 2 cents a mile in these respective brackets, the total monthly mileage to be computed at these rates separately in each bracket.

LIMITATIONS ON FLYING HOURS AND MILEAGE

On domestic operations the pilots seek a limitation of 900 hours per year and a monthly limitation of 80 hours which may be extended to 85 hours in any 1 month, with a further limit of 22,000 miles per month.

⁹ As a result of arbitration awards of July 23, 1941, and April 10, 1945, in addition to the foregoing compensation each "first pilot, regular reserve pilot, and reserve pilot" now receives 80 cents per hour for daytime and \$1.20 per hour for nighttime flying of SA 307 B equipment (Stratoliner).

SUMMATION

The first pilots seek a monthly pay on 16,000 miles in 80 flying hours at 200 miles per hour in domestic Skymaster service from \$1,090 for first-year men to \$1,265 for 8-year men per month, as contrasted with a present compensation for the same service from \$713.33 to \$830 per month.

INTERNATIONAL SKYMASTER FIRST PILOT DEMANDS

BASE PAY

A base pay of \$100 per month more in each bracket for international as compared to domestic assignments.

HOURLY FLYING AND MILEAGE PAY

The demands are at the same rates as for domestic flying.

MONTHLY FLYING HOUR GUARANTEE

While no guarantee is requested on domestic assignments, the first pilots seek a 70-hour monthly flying guarantee.

LIMITATIONS ON FLYING HOURS AND MILEAGE

Nine hundred hours per year and 22,000 miles per month. This is the same as the domestic limitations except that no monthly flying hour limitation is sought.

SUMMATION

The first pilots seek a monthly pay on 16,000 miles in 80 flying hours at 200 miles per hour in international service from \$1,190 for first-year pilots to \$1,365 for 8-year pilots as contrasted with a present compensation for the same service from \$713.33 to \$830, the present agreement making no distinction between domestic and foreign service.

N. B. See comments in this report on actual present pay for pilots and copilots on international service.

DOMESTIC SKYMASTER COPILOTS DEMANDS

BASE PAY

The copilots do not demand any increase in base pay on domestic Skymaster service which is now \$220 for the first 6 months increasing

in \$20 steps for each succeeding 6 months, until a maximum is reached of \$380 a month after the fourth year of service.

N. B. On Boeing SA 307 B equipment (Stratoliner) a copilot receives additional compensation at the rate of \$40 a month for such proportion of his monthly flying hours.

HOURLY FLYING PAY

The present agreement does not provide such pay for copilots. They now seek hourly flying pay at the rate of \$1.50 an hour for daytime and \$2 an hour for nighttime flying of Skymasters in domestic service.

MILEAGE PAY

The present agreement does not provide mileage pay for copilots. They now seek mileage pay at the rate of 2 cents, 1½ cents, and 1 cent for distances flown in a given month under 10,000 miles, 10,000 to 11,999 miles and 12,000 miles or more, respectively, with the same separate computations as for first pilots.

HOURLY AND MILEAGE LIMITATIONS DEMANDS

Nine hundred hours per year, 80 hours monthly which may be extended to 85 hours in any 1 month and 22,000 miles per month.

SUMMATION

The copilots ask on Skymaster domestic service for 16,000 miles in 80 flying hours at 200 miles per hour from \$495 for the first 6 months to \$655 per month after the fourth year as contrasted with a present compensation for the same service from \$220 to \$380 per month.

INTERNATIONAL SKYMASTER COPILOTS DEMANDS

BASE PAY

A base pay of \$50 per month more in each bracket for international as compared to domestic assignments.

HOURLY FLYING AND MILEAGE PAY

These demands are at the same rate as for domestic flying.

MONTHLY FLYING HOUR GUARANTEE

None for copilots.

LIMITATIONS ON FLYING HOURS AND MILEAGE

Nine hundred hours per year and 22,000 miles per month.

SUMMATION

The copilots ask on Skymaster International service for 16,000 miles in 80 flying hours at 200 miles per hour monthly pay from \$545 for the first 6 months to \$705 after the fourth year as contrasted with a present compensation for the same service from \$220 to \$380 per month, there being no provision in the present agreement for international service as contrasted with domestic service.

DOMESTIC CONSTELLATION FIRST PILOTS DEMAND

BASE PAY

Three hundred twenty-five dollars per month, with an increase of \$25 per month for each year of service up to \$500 a month for the eighth year and thereafter.

HOURLY FLYING PAY

The same increases are sought in this component for both daytime and nighttime flying at speeds of 200 miles per hour and over, as is sought for flying Skymaster equipment domestically.

MILEAGE PAY

These demands are 1 cent more in each mileage bracket than for Skymasters, i. e., 5, 4, and 3 cents.

LIMITATIONS ON FLYING HOURS AND MILEAGE

Eight hundred and fifty hours per year, 75 hours per month which may be extended to 85 hours in any 1 month and a limit of 24,000 miles per month.

MONTHLY FLYING HOUR GUARANTEE

None on domestic service.

SUMMATION

Based on 19,500 miles in 75 flying hours at 260 miles per hour, first pilots in domestic Constellation service seek monthly pay from \$1,382.89 for first-year pilots to \$1,557.89 for 8-year pilots per month as contrasted with a present compensation for the same service under the present agreement from \$722.08 to \$838.75 per month.

INTERNATIONAL CONSTELLATION FIRST PILOTS DEMANDS

BASE PAY

One hundred dollars per month more in each bracket for international as compared with domestic assignments on this type of equipment.

HOURLY FLYING AND MILEAGE PAY

These demands are at the same rate as for domestic flying.

MONTHLY FLYING HOUR GUARANTEE

Sixty-five hours.

LIMITATIONS ON FLYING HOURS AND MILEAGE

Eight hundred and fifty hours per year and 24,000 miles per month.

SUMMATION

The first pilots seek a monthly pay based on 19,500 miles in 75 flying hours at 260 miles per hour in international Constellation service from \$1,482.89 for first-year pilots to \$1,657.89 for 8-year pilots as contrasted with a present compensation for the same service from \$722.08 to \$838.75, the present agreement making no distinction between domestic and foreign service.

DOMESTIC CONSTELLATION COPILOTS DEMANDS

BASE PAY

No increase is sought by copilots for domestic Constellation service over the rates in the present agreement which are from \$220 to \$380 per month depending upon length of service.

HOURLY FLYING PAY

The copilots demand 60 cents an hour more for daytime and 80 cents an hour for nighttime flying on Constellations than for flying Sky-masters in the same service, i. e., \$2.10 and \$2.80 per hour respectively.

MILEAGE PAY

These demands are $\frac{1}{2}$ cent a mile more in each mileage bracket than for flying Sky-masters in domestic service, i. e., $2\frac{1}{2}$, 2 and $1\frac{1}{2}$ cents, respectively.

MONTHLY FLYING HOUR GUARANTEE

None.

LIMITATIONS ON FLYING HOURS AND MILEAGE

Eight hundred fifty hours per year, 75 hours per month which may be extended to 85 hours in any 1 month and a limit of 24,000 miles per month.

SUMMATION

The copilots seek on Constellation domestic service based on 19,500 miles in 75 flying hours at 260 miles per hour from \$651.46 for the first 6 months to \$811.46 per month after the fourth year as contrasted with their present pay of \$220 to \$380 per month.

INTERNATIONAL CONSTELLATION CO-PILOTS DEMANDS

BASE PAY

Fifty dollars per month more in each bracket for international as compared with domestic assignments on this type of equipment.

HOURLY FLYING AND MILEAGE PAY

These demands are at the same rate as for domestic flying.

MONTHLY FLYING HOUR GUARANTEE

None.

LIMITATIONS ON FLYING HOURS AND MILEAGE

Eight hundred fifty hours per year and 24,000 miles per month.

SUMMATION

The copilots seek a monthly pay based on 19,500 miles in 75 flying hours at 260 miles per hour from \$701.46 for the first 6 months to \$861.46 after the fourth year as contrasted with a present compensation for the same service from \$220 to \$380, the present agreement making no distinction between domestic and foreign service.

THE COMPANY'S POSITION

The carrier takes the position that the first pilots are not entitled to any increased compensation for flying either Skymaster or Constellation equipment in domestic and foreign service other than that provided under the terms of the formula established by decision 83

of the National Labor Board, decided May 10, 1934, as embodied in and modified by the existing agreement between Transcontinental & Western Air, Inc., and its pilots as represented by the Air Line Pilots' Association, International.

As to copilots the carrier takes the same position with respect to copilots pay except that they offer the following as to International Service:

"Each copilot while flying as copilot on four-engine equipment operated in international service shall if qualified in navigation in accordance with standards set by the company, have his pay increased by \$30 per month."

PILOTS' ARGUMENTS IN SUPPORT OF INCREASED PAY DEMANDS

The pilots give the following reasons in support of their demands for more pay:

1. The equipment in question is heavier, larger, faster, and more productive from a revenue viewpoint, and they are entitled to share in such increased productivity.

2. Its operation involves more responsibility and hence requires "a higher and more exacting degree of qualification skill and technique."

3. The result of such operation will be that an over-all lesser number of pilots and copilots will be required "for a given job of flying."

4. The 1941 and 1945 Boeing arbitrations recognized that pilots should receive higher compensation for flying heavier, faster, and more productive equipment.

5. Although decision 83 provides the same base pay for all types of equipment and the Civil Aeronautics Act of 1938 requires conformity thereto, employees may, under the act (sec. 401, L 3) "obtain by collective bargaining higher rates of compensation or more favorable working conditions or relations."

6. They also point out that they have had no increase in wages since 1934 to offset the increased cost of living.

THE CARRIER'S ARGUMENT FOR DENYING INCREASED PAY DEMANDS

The carrier views the pay demands as "astronomical" and "absurd." Being "fantastic," on "no possible basis" can they be "justified."

It argues that decision 83 provides a "more than fair" and "practical system" for determination of pay on "large or small, faster, slow" aircraft. This formula, it points out, provides for substantial increases in pay for flying faster equipment which operates with more safety, "comfort, and ease in comparison with the rugged conditions at the time of decision 83."

"The committee believes that the flexibility of the system of decision 83 automatically compensating for seniority hours and mileage flown in the operation of all types of aircraft is essential, in the interest of the continued success of the air transport industry."

It asks that this system of pay computation be continued except that it makes a conditional offer of a \$30.00 a month increase for copilots in international service providing they qualify as navigators.

The company's representatives admit that its pilots are entitled to a reasonable share of any increase in productivity which may result from the operation of faster and larger equipment but it argues that such reasonable increase in earnings is possible under the mileage component as established in decision 83 and embodied in the present agreement.

As to cost of living increases the carrier contends decision 83 automatically meets this situation as demonstrated by the increased take-home pay of pilots over the years.

THE FORMULA FOR PAYING PILOTS

In considering any kind of wage adjustment for first pilots, its effect on the formula on which total earnings are based must be carefully weighed. This formula with its three component parts, it must be borne in mind, was designed to keep a fair balance between the advantages that an hourly system of pay would give to the companies as speed of planes increased and the advantages the pilots would gain from a mileage system of pay. Both parties now accept the formula as essential to a fair system of pay, and the record shows that they do not disagree on the principle that gains from increased speed and larger planes should be fairly divided between the companies and the employees, as well as with the public by reduced prices. The differences between the parties are concerned mainly with the method of accomplishing the purpose within the three-component formula.

The carriers' committee claims that the increasing rates per hour already provided in the formula as speeds go up from 125 to 200 miles per hour and more, and the mileage pay schedule for speeds of under 10,000 miles per month, 10,000 to 12,000, or over 12,000 are flown, already provide automatically for dividing gains equitably for new and improved types of equipment; and they point to the increased earnings of the pilots on the faster and larger planes. The Pilots Association, however, contends that as the earning power of a pilot increases with faster flying and responsibility for more passengers and property, provision should be made for increased pay on each "increment" or component of the formula that determines monthly and annual earnings of the pilots.

Thus they are not satisfied with the yield of the existing formula rates which would give eight-year pilots flying 85 hours \$870.25 per month on the Skymaster, and \$904.50 per month on the Constellation, as compared with \$789.75 per month that they could earn in an 85-hour month flying the DC-3 planes. They ask, therefore, that an increase be granted in the rates now provided for each of the three components of the formula, and they want different increases in each of these, not only for international and domestic service, but also different increases for the Constellations and for the Skymasters.

In other words, where the formula now provides base pay of \$133.33 per month for all types of planes during the first year of service rising annually to \$250 monthly for the eighth year and after, the pilots now ask that this schedule of rates be increased to \$300 and \$475 per month on the Skymasters. But on the Constellations the corresponding base pay rates are to be \$325 rising to \$500 a month. Similarly in international service the base pay proposed is \$50 a month more in each bracket for the Skymasters and \$100 a month more for the Constellations than is asked for the same planes operating domestically.

The pilots also propose to increase the hourly flying pay, and this they would do by adding to the present maximum rates of \$5 for day flying and \$7.50 for night flying for all miles flown at 200 miles per hour or more, 40 and 60 cents respectively for flying at rates of 200 miles per hour or more up to a maximum of \$6.40 and \$9.60 for speeds of 319 miles per hour. But these rates would be the same both for the Skymasters and the Constellations, as well as for international and domestic service.

For the third component of the formula, the mileage pay, they ask that the existing mileage rates of 2, 1½, and 1 cent per mile be doubled on the Skymasters, both in domestic and international service, while for the Constellations they propose to increase these mileage rates to 5, 4, and 3 cents in both services.

These demands of the Pilots Association when weighed against the position of the carriers negotiating committee make it evident that the dispute as to rates of pay involves two quite different questions: (1) the amount of money that the pilots are entitled to earn on the Skymasters and Constellations as compared with what they now earn on the lighter planes flying at slower speeds; (2) whether the formula as originally established by the National Labor Board providing for a single schedule of base pay, a single schedule of hourly pay, and a single schedule of mileage pay applicable to all types of equipment shall be changed so as to provide different schedules for each of the three components of the formula for each type of flying equipment,

together with different schedules for each type as it is flown domestically or internationally.

The Emergency Board has considered both of these questions most seriously, and it has made innumerable calculations to make sure of the way in which the pilots' demands would work out in practice both as to the amounts of increased earnings as compared with the carrier's proposal, and as to the effect on the formula of maintaining the existing schedules of base pay, hourly pay and mileage pay even when faster, heavier, and more productive planes are introduced, and the effect of the pilots' proposed separate schedules for each type of plane and for international and domestic service.

From these calculations, and after carefully considering all the testimony, evidence, and arguments of the parties, the Board has come to the conclusion that the proposal of the carriers committee to apply the existing schedule of the three pay components to the Skymasters and Constellations would inadequately compensate the pilots for their service and responsibilities on these faster and heavier planes, especially in international service. On the other hand, the Board finds that the increased rates and new schedules for each type of plane and for domestic and international service would both yield earnings far in excess of the pilots' work and responsibilities on the new planes, and would also change the fundamental purpose of the formula as originally established in 1934 in ways that are not justified either by the record before us or the experience of the 12 years under the original formula.

It is true that the Civil Aeronautics Act which embodies the formula into law makes its rates only minima which may be increased by collective bargaining. Apparently the Pilots Association interprets this to mean that there should be a new bargain as to base pay, hourly pay, and mileage pay for each new type of plane that is put into service and to provide new schedules for each. This was not done when the DC-3 replaced the Ford three-motor plane, and there appears to be no more reason for establishing a new pay schedule for each new plane than there is for having new pay schedules for every new model of an automobile or a separate schedule for every faster and heavier locomotive that is introduced on the railroads. Some adjustments may have to be made, but we find no justification in the evidence before us for different base pay for each type of plane as well as for international and domestic service, nor for different mileage pay schedules for the Constellations and the Skymasters.

The Emergency Board is of the opinion that the pay schedules as provided in the original formula can be extended and revised to make the wage adjustments that are necessary because of the introduction of the faster and the bigger planes, and because of the establishment

of regular international service which was not in existence in 1934 when decision 83 was made. The schedule of hourly pay which now reaches a maximum at 200 miles per hour needs to be extended with bracket steps comparable to those from 100 to 200 miles per hour. The mileage pay for the faster planes that fly more than 12,000 miles per month needs to be revised upward to give this component of the formula a greater weight than it now has, and there is reason for a higher base rate in international service than in domestic service. With such adjustments as these, and some minor adjustments, the fundamental formula can be maintained, and made to provide the increased earnings the pilots are entitled to for the Skymasters and Constellations, without giving them an unreasonably large share in the gains from the improved equipment.

We now proceed to a consideration of the details of the adjustments we consider necessary.

RECOMMENDED RATES OF PAY

DOMESTIC SERVICE

Earnings of first pilots in the air-line industry are made up of three major components; base pay, hourly pay, and mileage pay. These components must be taken together and viewed as a unit in making up the composite pay.

Base pay is intended as the minimum guaranteed monthly wage whether the pilot flies or not. It now ranges by yearly gradations from \$133.33 per month for a first-year pilot, up to \$250 per month for an eighth-year pilot.

Hourly pay is intended as the major component in the pay and is computed for the actual flying time from terminal to terminal or from block to block, i. e., from the time the blocks are removed from the wheels at one terminal to the time when the blocks are placed at the wheels at the other terminal. The hourly rates are based upon speed of aircraft, beginning at \$4 for those flying under 125 miles per hour and rising by 20-cent brackets to \$5 per hour for aircraft flying 200 miles or more per hour. Night flying is paid at a rate of 50 percent higher per hour in each bracket.

Mileage pay is made a component of the pilot's pay for the purpose of giving additional compensation to the pilots for higher speeds. The present formula provides for 2, 1½, and 1 cent respectively for monthly mileages of under 10,000, 10,000 to 11,999, and 12,000 miles and over for all mileage flown at more than 100 miles per hour.

The relative importance of the three components of a pilot's pay may be seen by examples. A first-year pilot flying a DC-3 at 160 miles per hour for 85 hours a month, half day and half night, receives \$133.33

base pay, \$488.75 hourly pay and \$51 mileage pay—a total of \$673.08. An eighth-year pilot receives \$250 base pay, \$488.75 hourly pay, and \$51 mileage pay—a total of \$789.75.

The reasons for the separate components were given by the National Labor Board in decision 83:

The increase of speed will either greatly increase the mileage covered by the pilots or materially reduce their monthly hours of employment. If the pilots were to fly in the future the same number of hours as in the past and were paid on the same monthly basis, their monthly earnings would be greatly increased. Similarly, were the mileage basis to be continued and the hours of actual flying reduced, there would be no change in monthly earnings notwithstanding the sharp reduction in monthly hours. In either event the pilots would receive the chief benefits accruing from the new equipment. The hourly basis of payment, on the other hand, does not adequately compensate the pilots for the increased mileage with the added hazards incident thereto, and results in a sharp decrease of earnings in the event that the new equipment reduces the employment opportunities of the pilots. It would seem advisable, therefore, to adopt a basis of pay under which both the company and employees would share in the benefits accruing from the new equipment and bear the burdens that will attend its introduction in the beginning.

The National Labor Board considered the base pay and hourly pay then in effect as "inadequate" and added the mileage component in the belief that it would compensate adequately for the higher speeds.

This Emergency Board recognizes the soundness of the general plan set forth in the formula in decision 83 and finds that it should be continued as to base pay and hourly pay but the hourly pay brackets should be extended from the present 200 mile and over per hour bracket by 20-cent increments for day flying and 30-cent increments for night flying for each additional 25 miles flown per hour. Thus from 200 miles to 225 miles, the rate would be as at present, \$5 per hour for day flying and \$7.50 for night flying; the rate from 225 to 250 would be \$5.20 and \$7.80; from 250 to 275, \$5.40 and \$8.10, and from 275 to 300, \$5.60 and \$8.40.

The Board believes that the mileage component in decision 83 does not adequately compensate for the higher speeds and recommends that the rate of 1½ cents a mile be applied instead of 1 cent a mile for monthly mileages of 12,000 miles or more flown at speeds in excess of 100 miles per hour.

Hazardous terrain pay is embodied in the statutes at the minimums in effect when decision 83 was rendered in 1934. TWA was not paying for any hazardous terrain in 1934 and hence is not required by statute to pay for hazardous terrain. The reasons for hazardous terrain pay have largely disappeared and payments therefor, except possibly in some very unusual circumstances should not be extended. The requirement that some companies shall pay for hazardous terrain

because they were paying it in 1934, while others are not so required, works unfairly for both carriers and pilots.

INTERNATIONAL SERVICE

The wage formula in force under decision 83 was intended for domestic service. There was no international commercial service in contemplation at the time. The first extended overseas operation on TWA was begun in war time and as a military contract service.

This Emergency Board is of the opinion that first pilots in international service should be paid on the basis of the formula of decision 83 with such modifications of the factors as the differences between domestic and international service justify.

Base pay should be increased by \$750 a year in all classifications of first pilots, to provide a larger minimum guaranteed pay in international service.

LIMITATIONS AND GUARANTEES

The pilots seek limitations on monthly and yearly flying hours and on monthly mileage while on either domestic or foreign service. They also ask monthly flying hour guarantees while on foreign service.

They argue that guarantees are "imperative because of the irregularities of scheduling and long unscheduled lay-overs and irregularities generally in flying hours" experienced in foreign operations.

They insist that a limitation on hours of work is required because of "technological advancement" in order to "prevent unemployment" and that limitations are justified in the light of "increase in speed and load carrying and profit producing potentialities" which will cause pilots to have "little or no home life."

The carrier answers that such requests, if granted, will create "feather bedding" in a rapidly expanding industry and it points out that the only logical justification is that already imposed by the Civil Aeronautics Board under the Civil Aeronautics Act to "provide safety in flight."

The Emergency Board was not presented with any information that would justify the conclusion that limitations are necessary "to prevent unemployment" during the immediate future. On the contrary the record indicates a steady increase in the number of pilots and the fact that the carrier will shortly add to the number of planes in operation.

The present limitation of 85 flying hours a month in domestic operations is fixed by statute and embodied in the present agreement. Because of scheduling and other factors the actual hours flown aver-

age 80 or less. Operating experience does not warrant further limitations domestically.

Sufficient industry experience has not yet accumulated to warrant the conclusion at this time that either limitations on flying hours and mileage, or guarantees on monthly flying hours are appropriate. However, the Emergency Board is convinced that a somewhat larger minimum guaranteed pay is justified in international service and therefore has recommended a \$750 increase in base pay.

COPILOTS PAY

The Emergency Board accepts the proposition that copilots are mainly apprentices and that they are at all times potential first pilots. Although they do not have the entire responsibility for the operation of equipment, they do share the same hours, fatigue, and hazards of first pilots and under certain circumstances may be called upon to exercise considerable responsibility for the safety of life and property.

We believe that the present differential in pay between copilots and first pilots is too great, particularly in international operations. The present minimum and maximum earnings of copilots, exclusive of that of Stratoliners, is \$220 and \$380 per month, depending upon length of service.

The Board is of the opinion that in international service, copilots should receive in addition to base pay hourly flying pay at a composite rate of \$1 an hour for day and nighttime flying. They should also receive mileage pay at the rate of one cent for monthly mileages of 12,000 miles or more flown at speeds in excess of 100 miles an hour. Copilots in international service should receive \$25 a month additional base pay if they qualify as navigators.

In domestic service copilots should receive mileage pay at the rate of one-half cent for monthly mileages of 12,000 miles or more flown at speeds in excess of 100 miles an hour.

VI. TWA CASE A-2219—RULES FOR INTERNATIONAL SERVICE

The Pilots Association seeks for both pilots and copilots new rules covering international operations. The carrier does not agree with the association's demands as to these rules and proposes additional rules covering international operations.

The Pilots Association proposes:

1. Payment of expenses while on company business.
2. Moving expenses when transferred irrespective of whether the result of successful bidding or by assignment.

3. Payment of increased personal insurance premiums arising out of transfers to international service.

4. Workman's compensation benefits either under the statutes of Missouri or the Federal Longshoremen's and Harbor Workers' Act, whichever is more beneficial to the pilots.

5. A minimum monthly guaranteed compensation when missing, interned or held as hostage until released or death is established.

6. Sick leave and injury benefits and privileges.

7. A foreign station living allowance determined by conference.

8. Annual 30-day vacations with pay and free transportation to the United States for pilot and his family.

9. A limitation on yearly flight time of 1,000 hours.

10. System wide seniority maintained.

The carrier's position on pilots' proposed rules, and on the additional rules proposed by the company is:

1. Expense allowances shall be fixed by the company.

2. No moving expenses when transfer is at pilots' own request and only to successful bidders on newly established or re-established domiciles.

3. Inadequacy of information as to extent and amount precludes such allowance for reimbursement on increased insurance expense.

4. Workmen's compensation to be paid only in accordance with the law applicable in the state (Missouri) where the company's main base is located or in accordance with any other law by which the company is bound.

5. Pay while missing, interned or held as hostage equal to two-thirds of average monthly compensation paid a pilot and three-fourths paid a copilot during the 3 months preceding last flight. Death to be presumed within 12 months of disappearance if existence is not reasonably ascertained or established.

6. The company adheres to the sick leave rule (rule 17) in the present agreement.

7. No foreign station living allowance is needed in view of present moving expense rule (14) and special expense allowance rule (13d).

8. Two weeks vacation as provided in the existing agreement (rule 15) is sufficient.

9. No limitations are necessary because authority to regulate pilots flying is vested in the Civil Aeronautics Board.

10. The company desires divisional seniority, i. e., separate seniority lists for domestic and international service with the right to reject a bid involving change of domicile if the bidder has not been stationed at his then existing domicile for at least 3 years.

11. A change in the present classification of assignments rule (27) so as allow one of three choices to entail the fewest changes in

first-pilot domiciles, i. e., (1) to displace the lowest ranking first pilot at his last previous domicile, (2) to displace the lowest ranking first pilot on his division, (3) to displace the lowest ranking first pilot on the system.

12. Assignment to special foreign duty with consent of the particular pilot involved or assignment by loan to a subsidiary, affiliate or any other company or person without present rules 28 and 18 being applied to such new status.

After discussion with both parties on each rule following the hearing our conclusions are that new rules should be framed for International operations as follows:

1. While on company business outside of the United States each pilot shall be entitled to actual expenses to cover the reasonable cost of meals, lodging, tips, laundry, and transportation, and under special circumstances such reasonable additional expenses as may be determined by the company.

2. The company shall pay the reasonable moving expenses of a pilot from his domestic base station to his international base station whether such move is the result of his successful bid or his assignment to his new station.

3. The company shall upon proper proof reimburse a pilot, assigned to an international base station, or temporarily assigned to international operations, for any increased premium he may be required to pay on his life insurance.

4. The company will provide benefits for pilots assigned to international routes in accordance with the Workmen's Compensation Act then in effect in the State of Missouri unless required by law to provide benefits under the law of any other State, Territory, or of the Federal Government.

5. Any pilot assigned to the company's international routes who becomes missing, interned, or held as a hostage shall be entitled to monthly compensation of 75 percent of his average monthly pay during the preceding 6 months. Such compensation will be paid to the beneficiary or beneficiaries designated in writing by the pilot prior to his departure from the United States.

If the whereabouts or existence of the pilot so affected is not reasonably ascertained or established within 24 months of his disappearance, such compensation shall terminate provided notice of intention to terminate has been served 60 days prior thereto by the company on the beneficiary or beneficiaries by registered mail with a return receipt demanded, or at any time thereafter upon like 60-day notice.

6. Pilots who become sick or injured while assigned to the company's international operations shall be entitled to the same sick-leave bene-

fits and privileges accorded domestic pilots including compensation at their base pay rates while on sick leave.

Upon his request, such pilot shall be returned to such place in the United States as he may designate in the manner to be determined by the company and at its expense.

7. A pilot assigned to an international base station shall receive such reasonable additional base station allowance and expense and for such period as may be agreed upon by the parties in the light of the circumstances of the individual case without establishing thereby a precedent as to amounts for future cases.

8. Pilots assigned to international base stations shall receive 15 days vacation in addition to that provided for domestic pilots. Such vacation allowance shall be exclusive of reasonable travel time to and from the United States by air.

9. The seniority of pilots in international service shall be governed by the seniority provisions of the existing agreement except as hereafter modified by the agreement of the parties.

10. The company may with the consent of the particular pilot involved, assign such pilot to special foreign duty involving services which are not a part of the company's operations pursuant to its certificate or certificates of public convenience and necessity or assign such pilot on a loan basis to a subsidiary affiliate or any other company or person in which event sections 18 and 28 of the agreement shall not apply during such assignment except as they may be modified by the terms of section 22 of the agreement.

VII. THE DISPUTES ON THE OTHER AIR LINES

Twelve disputes in addition to the TWA case are listed in the President's Executive order for investigation and a report. The subject matter of all these disputes is the same as in the TWA case: Rates of pay for flying Skymaster and Constellation planes, and working rules for international operations. But as presented to the Emergency Board by the parties the disputes between them are about very different matters, mainly procedural. The disagreements, however, have not been less important in the eyes of the pilots and the carriers.

The underlying controversy in all the cases, including that of the TWA, is about the method of collective bargaining. Shall it be industry-wide between the air-lines negotiating committee and the Pilots' Association, or shall each air-line company bargain separately with its pilots, although both might be represented by their respective organizations? Whereas most employers are strongly opposed to industry-wide bargaining, in these cases the air-line companies contend that it is the only realistic and practical method. On the

other hand, whereas most labor organizations want industry-wide bargaining, the Pilots' Association insists on separate company bargaining which it holds is required by the Railway Labor Act, except where another method is adopted by mutual consent.

Subsidiary to this underlying disagreement, are a number of other disputes involved in the individual cases. In one, A-2231 American Airlines, the contention is made by the Pilots' Association that the case is now in mediation and not properly before the Emergency Board at all. The carriers' committee holds, on the contrary, that mediation ended in disagreement and refusal of the association to arbitrate, thus bringing the case properly into these proceedings.

In most of the other 11 cases the association's position is that existing contracts still bind the parties for varying future periods, and the carriers have not given the necessary notice required by the contracts and the Railway Labor Act in order to authorize negotiation of changes in these contracts. The carriers deny this charge and contend they have proceeded in these cases in the same manner that the association did in proposing changes in the TWA and American Airlines cases.

Except for these last two cases, it is the position of the Pilots' Association that the other disputes, cases A-2241 to A-2251, have not been the subject of direct negotiations between the parties, and since such collective bargaining conferences are required by the Railway Labor Act as a prior step to mediation, the applications of the carriers for mediation of these cases were illegal, and, further, that in fact they have not been mediated. The carriers' committee, on the other hand, points out that the act authorizes mediation when one party refuses to confer, that such refusal on the part of the Pilot's Association was cited in the applications, and that the National Mediation Board docketed the cases on the basis of the refusal to confer.

Finally, as noted in a preceding section of this report, the Pilots' Association claims that no emergency threatens interruption of interstate service of the air lines involved in cases A-2231, and A-2241-2251 because no strike vote was taken among the pilots on any of these lines. Their pilots are flying the Skymaster and Constellation planes, and they have not threatened to withdraw their services. In answer to these claims the carriers' committee points to letters received by the air-line companies from the Pilots' Association advising that their pilots "do not desire to fly these planes" until rates of pay and rules are agreed upon, or the differences are submitted to arbitration. Further, the committee argues that finding whether an emergency exists is within the discretionary authority of the National Mediation Board, that it did so find, and the President acted accordingly in issuing his Executive order.

This difference between the parties regarding the absence of emergency in any of the 12 cases resolves itself into a dispute as to the jurisdiction of the Emergency Board. As to this question there can be no two opinions. The Board must hold that its jurisdiction is defined by the Executive order that created it. The 12 cases were listed in that order for investigation and report, and the parties were given an opportunity to present evidence with respect to each of them. Nevertheless, the fact is that no strike votes were taken in any of these cases, and in this sense there was no emergency in connection with them.

Obviously the 12 cases were included in the Executive order because the Mediation Board had attempted to mediate them concurrently, together with the TWA case in an effort to work out the problem of industry-wide bargaining raised by the airline companies. With respect to this question, this Emergency Board is of the opinion that industry-wide bargaining is best established and developed by mutual agreement of the parties. It is not likely to work successfully if it is imposed by the unilateral action of one party or by the fiat of a Government Board. The Railway Labor Act, as interpreted by the National Mediation Board, contemplates separate bargaining with each carrier. That is the reason the 13 cases were not combined or consolidated for handling on an industry basis. The Mediation Board merely set each separate case for "concurrent" mediation with the others. The issues involved in the dispute about industry-wide versus company or plant bargaining are currently matters of great controversy throughout industry, and the parties to the cases here involved are taking opposite positions to those generally being taken by employer and labor organizations.

Under the circumstances, this Emergency Board decided to hear each of the cases separately, and it does not recommend that the Pilots' Association shall bargain on an industry-wide basis with the carriers negotiating committee. But the right of each of the airline companies to designate the committee as its authorized bargaining representative cannot justifiably be questioned by the association. This Board has so recognized the committee throughout its proceedings.

The facts in each of the 12 cases will now be reviewed for the light they may throw on these contentions.

CASE A-2231. AMERICAN AIRLINES INC.

Under date of June 28, 1945, the Pilots' Association served written notice on the American Airlines that its pilots and copilots "wish to negotiate * * * rates of pay and related conditions of em-

ployment respecting the larger, heavier, and faster equipment that will soon be put in operation by your company." The president of the company replied suggesting a date in July for a joint conference. For various reasons satisfactory to both parties, however, the date was postponed and no meeting was held until October 4. This lasted through October 6. The parties met again from October 23 to 25, and there was a third and final conference December 27 to 29.

During these conferences the Pilots' Association presented a written proposal for amending its existing contract between the parties to provide increased rates for the new equipment in base pay, hourly pay, and mileage pay for first pilots. For copilots, hourly and mileage rates were to be added to their existing minimum salaries; and the proposal also provided for monthly mileage and hours of limitations. Partly because of the Company's objections to the proposed amendments, and partly because it proposed to be represented by the air lines negotiating committee in industry-wide bargaining, the December meetings were broken off.

Shortly thereafter, on January 7, 1946, the Pilots' Association invoked the services of the National Mediation Board, and in the application it wrote: "The company refused to continue negotiations on December 29, 1945." The Mediation Board docketed the case as A-2231, and aside from the abortive attempts to set it for concurrent handling with the other cases, the only serious effort to mediate this case was that made by Mediator Foran at the conferences he held in New York from February 27 to March 8. These conferences ended in disagreement, as noted above, and the Pilots' Association claims that the case is still in mediation, conferences merely having been suspended.

Although there is much to be said for the contention of the carriers negotiating committee that case A-2231 was handled to a conclusion when the National Mediation Board included it in the combined proffer of arbitration for all 13 cases made to both parties on April 3 to which the Pilots' Association gave no answer (above), the Emergency Board is of the opinion the mediation and arbitration policies of the Railway Labor Act did not have a fair chance to work their peaceful and amicable results because of the controversy over industry-wide bargaining. Had this dispute been handled promptly when it arose in the summer of 1945, it might well have been settled before the question of joint bargaining by the 13 companies became acute, particularly because the American Airlines offered proposals for settlement in September and October which were withdrawn in December (exhibit 23 attached to application for mediation). Moreover, no detailed evidence was presented to the Emergency Board by

the Pilots' Association in this case, and the carriers' committee merely relied on the facts it presented in the TWA case.

In view of all the above circumstances, and the recommendations already made for settlement of the TWA case, the Emergency Board finds that the obstacles to settlement of the dispute on the American Airlines by the parties themselves, or with the aid of the mediator, have now been removed. We therefore make the following

RECOMMENDATION

That case A-2231, American Airlines, be referred back to the parties for settlement by agreement on the basis of the recommendations made above in TWA case A-2219, or in the alternative by resuming the mediation conferences which were broken off in New York on March 8, 1946.

CASES A-2241 TO A-2251, INCLUSIVE

- A-2241. American Overseas Airlines.
- A-2242. Braniff Airways.
- A-2243. Chicago & Southern Air Lines.
- A-2244. Delta Air Corp.
- A-2245. Eastern Air Lines.
- A-2246. National Airlines.
- A-2247. Northeast Airlines.
- A-2248. Northwest Airlines.
- A-2249. Pennsylvania Airlines Corp.
- A-2250. United Air Lines.
- A-2251. Western Air Lines.

Applications for the services of the National Mediation Board in these 11 cases were simultaneously made by the carriers' negotiating committee by telegram on January 29, 1946. This was followed in the next few days by identical formal written applications signed by R. S. Damon, chairman of the committee, and substantially identical papers were attached to the signed application forms. On each form in answer to a printed question: "If there has been a refusal to confer, so state and give reason;" there was typed: "Yes, see telegram dated January 22, 1946, from D. L. Behncke and other papers attached." The telegram referred to was the one mentioned above in which Mr. Behncke informed Mr. Damon that counsel for the Pilots' Association had advised "that the so-called Airlines Negotiating Committee * * * is in violation of law and therefore we cannot meet with an illegal set-up. We stand ready to meet with officers of the individual air lines on their own behalf at any time." The other papers attached were mainly copies of the correspondence between the

Pilots' Association and the committee referring to the refusal of the association to bargain on an industry-wide basis.

The Pilots' Association protested that the necessary legal or contractual notices of desired changes in existing agreements, had not been given by the companies, and the Mediation Board seems to have had some doubt about this matter. The carriers' committee took the position that each company had notified the association that it had designated the committee as its bargaining representative, that the committee had asked the association for conferences to discuss the questions of the new four-engine equipment on behalf of all the companies, and that this was sufficient notice.

The fact is, however, that the joint conferences of duly authorized representatives required by the Railway Labor Act to negotiate proposed changes in contracts and to settle disputes, if possible, by mutual agreement have not been held. Neither has there been any genuine mediation of these disputes. The differences about industry-wide bargaining and about concurrent mediation of all 13 cases, prevented any discussion between the representatives of the parties in these 11 cases of the wage questions and the working rules.

In view of these circumstances and the fact that the record contains no evidence as to special conditions that may exist on these 11 air lines that might make the facts in the TWA case not applicable, the Emergency Board finds that it would be inadvisable to extend automatically the recommendations made for the TWA case to these 11 air lines. The Board therefore makes the following

RECOMMENDATIONS

That the disputes in cases A-2241 to A-2251, inclusive, be referred back to the air-lines negotiating committee as the representative of each of the carriers involved in these disputes and to the Air Line Pilots' Association as the representative of the pilots on each of the lines for negotiation of the desired changes in each of the separate contracts on the basis of the recommendations made above for settlement of the dispute in TWA case A-2219.

VIII. SUMMARY OF FINDINGS AND RECOMMENDATIONS

CASE A-2219, TRANSCONTINENTAL & WESTERN

1. The Emergency Board finds that the formula of decision 83 whereby wage rates are determined is an equitable method of computing pilots' pay, and should be extended to the higher brackets of speed above 200 miles per hour.

2. *Rates of pay for domestic service—first pilots.*—A. The hourly pay brackets in the formula should be extended by 20-cent increments

for each additional 25 miles flown per hour above the present top bracket of 200 miles or more per hour. Thus:

	<i>Day flying per hour</i>	<i>Night flying per hour</i>
200 miles per hour up to but not including 225-----	\$5.00	\$7.50
225 miles per hour up to but not including 250-----	5.20	7.80
250 miles per hour up to but not including 275-----	5.40	8.10
275 miles per hour up to but not including 300-----	5.60	8.40
etc.		

B. The mileage rate for monthly mileages of 12,000 miles or more flown at speeds in excess of 100 miles per hour shall be increased from 1 cent to 1½ cents per mile.

3. *Rates of pay for international service—first pilots.*—A. Base pay should be increased by \$750 a year in all classifications of first pilots.

B. The hourly pay should be the same as provided above for domestic service.

C. The mileage pay should be the same as provided above for domestic service.

4. *Rates of pay for domestic service—copilots.*—A. A mileage rate of ½ cent per mile should be added to the existing pay of copilots for all monthly mileages of 12,000 miles or more flown at speeds in excess of 100 miles an hour.

5. *Rates of pay for international service—copilots.*—A. A composite hourly rate of \$1 per hour should be paid for day and night time flying.

B. The mileage rate should be 1 cent a mile for all monthly mileages of 12,000 miles or more flown at speeds in excess of 100 miles an hour.

C. An additional \$25 a month should be paid copilots in international service who qualify as navigators.

6. *Limitations and guarantees.*—The requests of the pilots for limitations on monthly and yearly flying hours and mileage as well as guarantees of minimum monthly flying hours—*not granted*.

7. *Rules for international service.*—The Board recommends rules covering the following subjects:

A. Payment of expenses while outside United States.

B. Moving expenses from domestic to international bases.

C. Reimbursement for any increased life insurance cost.

D. Workmen's compensation benefits.

E. Compensation while missing, interned or held as hostage.

F. Sick leave benefits.

G. Foreign base station allowances.

H. Annual vacations.

I. System-wide seniority.

J. Assignment to special foreign duty.

CASE A-2231. AMERICAN AIRLINES

That this case be referred back to the parties for settlement by agreement on the basis of the recommendations made in TWA case A-2219 or in the alternative by resuming the mediation conferences that were broken off in New York on March 8, 1946.

CASES A-2241 TO A-2251, INCLUSIVE

- A-2241. American Overseas Airlines.
- A-2242. Braniff Airways.
- A-2243. Chicago & Southern Air Lines.
- A-2244. Delta Air Corp.
- A-2245. Eastern Air Lines.
- A-2246. National Airlines.
- A-2247. Northeast Airlines.
- A-2248. Northwest Airlines.
- A-2249. Pennsylvania Airlines Corp.
- A-2251. Western Air Lines.

That the disputes in these cases be referred back to the airlines negotiating committee as the representative of each of the carriers involved and to the Air Line Pilots' Association as the representative of the pilots on each of the lines for negotiation of the desired changes in each of the separate contracts on the basis of the recommendations in TWA case A-2219.

