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Report
TO
THE PRESIDENT
BY THE
EMERGENCY BOARD

**CREATED SEPTEMBER 23, 1946
PURSUANT TO SECTION 10
OF THE RAILWAY LABOR ACT**

**To investigate the dispute between the
Utah Idaho Central Railroad Corporation
and those of its employees represented by
the International Association of Machinists**

OGDEN, UTAH

OCTOBER 11, 1946

(No. 42)

LETTER OF TRANSMITTAL

OGDEN, UTAH,
October 11, 1946.

The PRESIDENT,
The White House.

Mr. PRESIDENT: The Board selected by you on September 23, 1946, under authority of the Railway Labor Act, to investigate and report concerning the dispute existing between the Utah Idaho Central Railroad Corporation and those of its employees represented by the International Association of Machinists, its District Lodge No. 114 and Local Lodge No. 127, has the honor to submit herewith its findings and recommendations. The dispute in question has been designated as Case No. A-2276 by the National Mediation Board.

The report of the Board sets forth in some detail the essential facts and circumstances involved in the dispute, the contentions of the parties, and the result of the Board's efforts to adjust it.

Respectfully submitted.

RICHARD F. MITCHELL,
Chairman.
NORRIS C. BAKKE,
Member.
OTTO S. BEYER,
Member.

Report to the President by the Board Selected September 23, 1946, Pursuant to the Provisions of the Railway Labor Act to investigate the dispute between The Utah Idaho Central Railroad Corporation and those of its employees represented by the International Association of Machinists, its District Lodge No. 114 and Local Lodge 127 of Ogden, Utah, to make every effort to adjust the dispute and to report thereon

I. INTRODUCTION

On the 23d day of September 1946, the President of the United States issued an Executive order establishing a Board of three members, as provided by section 10 of the Railway Labor Act, to investigate the dispute between The Utah Idaho Central Railroad Corporation and those of its employees represented by the International Association of Machinists, its District Lodge No. 114 and Local Lodge 127, Ogden, Utah. Said order sets forth that the dispute in the judgment of the National Mediation Board threatened substantially to interrupt interstate commerce within the States of Utah and Idaho to a degree such as to deprive that portion of the country of essential transportation service.

In compliance with said Executive order, all the interested parties were notified that the Board would convene in room 385, Federal Building, Ogden, Utah, at 10 a. m., on the 2d day of October 1946. Said Board did convene on said date and commenced its hearings, which hearings continued from day to day until the 8th day of October 1946. The Board selected Richard F. Mitchell as chairman of the Board and confirmed the appointment of the Acme Reporting Co., represented by Miss Lucille Hallam and Cecil E. Tucker as the official reporters. All evidence which was offered by either party was admitted into the record.

In the hearings before this Board, the International Association of Machinists, its District Lodge No. 114 and Local Lodge 127, were represented by W. B. Jordan, Grand Lodge Representative; C. N. Chadwick, Business Agent, District Lodge No. 114; and J. R. Stagg, President, Local Lodge 127. The Utah Idaho Central Railroad Cor-

poration was represented by S. J. Quinney, 921 Kearns Building, Salt Lake City, Utah, Counsel; and C. A. Mally, Ogden, Utah, General Manager.

The Board heard testimony aggregating 5 volumes, consisting of 415 pages, and 22 exhibits were offered. Oral arguments were made by respective counsel.

At the close of the record, the Board, as directed by the President, offered its services for the purpose of helping the parties to adjust their dispute, and they were accepted by both parties. Three days were occupied by the Board in this capacity.

II. DESCRIPTION OF THE RAILROAD

The Utah Idaho Central Railroad consists of 94.7 miles main line track and 8 miles of Plain City branch and 14 miles of Quinny branch, making a total of 121 rail miles. It uses electric power and it runs, roughly, between Ogden, Utah, and Preston, Idaho. It was built in 1916 as an interurban electric railroad. The main line consists of 70-pound steel tracks. With the exception of some curves, the original rails are still part of the system. The railroad has a limited capacity of 200,000 pounds net load. It has used untreated ties, and there is no ballast along the track. The maintenance of the railroad has been very much deferred due to the lack of sufficient money to keep up maintenance. The heaviest railroad grade is 2 percent, but there is a short grade of approximately 4 percent in Logan.

The equipment consists of 9 electric locomotives, 15 passenger cars, 15 gondola cars, and about 10 miscellaneous boxcars and flatcars. All of the operating equipment which the Company possesses is approximately 30 years old.

The Company also operates a bus line which consists of five buses, and is operated along the paved highway which parallels the right-of-way.

The Board, accompanied by Mr. Jordan representing the employees and Mr. Mally representing the Carrier, inspected the shops in Ogden and traveled on one of the cars operated by the Carrier from Ogden, Utah to a point designated as Summit on the Carrier's line, a distance of approximately 40 miles.

III. FINANCIAL HISTORY OF THE CARRIER

The Utah Idaho Central Railroad was built as an extension of a street railway system operated in Ogden. In 1916 the railroad was extended to Cache Valley where it connected with an electric railway which had been built in that valley, and the full line in its present length was then connected and has been operated ever since.

The Utah Idaho Central Railroad, as it was then known—and it has been known by different names from time to time due to reorganizations—had outstanding about \$4,000,000 worth of bonds which were a first lien against the property of the corporation.

In 1925 a receiver was appointed and a reorganization effected, the bonds being reduced to \$2,000,000 through the receivership. In 1939 a receiver was again appointed and through the receivership the bonds were reduced to \$452,000 of 4 percent first-mortgage bonds and \$621,500 of 30-year income bonds. The interest on the income bond was payable only in case the corporation made sufficient income to pay same.

The Reconstruction Finance Corporation loaned The Utah Idaho Central Railroad Corporation the sum of \$452,000 secured by the Carrier's first-mortgage bonds. The \$621,500 worth of income bonds was taken by the former holders of the first-mortgage bonds. The Reconstruction Finance Corporation was, at the time of the hearing, the owner of \$370,360 of first-mortgage bonds of The Utah Idaho Central Railroad Corporation.

In the middle of 1944 The Utah Idaho Central Railroad Corporation was confronted with an overdraft at its bank and certain stockholders of the Company advanced to the Railroad Company out of their private funds nearly a hundred thousand dollars.

By the end of 1944 it became apparent that The Utah Idaho Central Railroad Corporation could not get along on the money which had been advanced by the stockholders, and there was a threatened receivership. Mr. H. A. Benning, who was at that time, and is at the present time, the president of the Amalgamated Sugar Co., informed the directors that if the owners of the stock of The Utah Idaho Central Railroad Corporation would turn over to the Amalgamated Sugar Co. 95 percent of the stock, the Amalgamated Sugar Co. would advance money to the railroad company that it might continue its operation. It was agreed that the Amalgamated Sugar Co. would take 50 percent of the income bonds at 5 percent of the face value and the common stock would be turned over on the payment of 50 cents a share, as a token payment. This arrangement was carried out and the Amalgamated Sugar Co. acquired approximately 97 percent of the stock of The Utah Idaho Central Railroad Corporation, and 50 percent of the income bonds. The Amalgamated Sugar Co., during the years 1944 and 1945, advanced to the railroad company the sum of \$320,000. Copies of the reports of The Utah Idaho Central Railroad Corporation to the I. C. C. were introduced as evidence at this hearing. These show that in 1943 the Company had a net operating loss of \$40,059; in 1944, a net operating

loss of \$73,699; in 1945, a net operating loss of \$204,000; and in the first 8 months of 1946, a net operating loss of \$42,055. The reason for the reduction of the loss in the first 8 months of 1946 is the fact that the railroad corporation has cut its maintenance substantially.

The Board, in its inspection of the railroad, ascertained that it is in a deplorable condition at the present time, that it is not being maintained, that its equipment is old.

This Carrier is confronted with competition from the Union Pacific Railway, which parallels its line most of the way; from the Greyhound Bus Corporation, which operates a bus line on a paved highway which parallels the line of the Carrier; and from truck service, also operated along the line of the Carrier. The record shows that The Utah Idaho Central Railroad Corporation has no money with which to rebuild its line or to purchase new equipment. There appears to be no one ready or able to furnish the money and the demand for the Carrier's services is not improving.

IV. ISSUES INVOLVED

The dispute in this case involved those of the Carrier's employees engaged in the maintenance of the mechanical equipment of the Company, as well as some who work in substations and with the line repair crew.

A peculiar situation confronted this Board. The Carrier and its employees, through the International Association of Machinists, entered into a written agreement, which was introduced into the record and marked Employees' Exhibit 1. That agreement is dated April 10, 1946. Attached to that agreement and made a part thereof is a rider. The rider was also signed on the 10th day of April 1946 by the representatives of the Carrier and of the employees. We quote from the rider:

In signing the Agreement between the Utah Idaho Central Railroad Corporation and the International Association of Machinists, Local 127, District No. 114, this day, 10th April 1946, no agreement has been reached on the rules covered in the following section * * *

During the hearing and the period that this Board was seeking to carry out the instructions of the President, the disputed issues set out in the rider were settled satisfactorily to both parties. The main issues involved were classification and rates of pay.

The classification and rates of pay agreed upon are as follows:

<i>Classification</i>	<i>Rate of pay per hour</i>
Working foremen -----	\$1. 25
Journeyman -----	1. 15
Equipment maintainers or inspectors -----	. 95
Substation operators -----	. 87
Helpers -----	. 80
Apprentices -----	(¹)
Laborers -----	. 75

¹ Percentage fixed in contract.

The above classifications and rates of pay have been incorporated into a written contract signed by the parties and made effective as of October 1, 1946.

We are happy to report, Mr. President, that the representatives of Labor and the Carrier cooperated with your Board in bringing about the drafting and signing of a new contract which is now in effect upon the property, a copy of which has been transmitted to the National Mediation Board. The strike threat which led to the appointment of this Board has been averted and the dispute settled.

CERTIFICATION

As required by the Executive order and by section 202 of the amendment, approved June 30, 1940, we hereby certify that the changes proposed by said settlement as set out in the said contract and as referred to in this report are consistent with such standards established by or pursuant to law for the purpose of controlling inflationary tendencies and with the general stabilization program and with the directives and policies issued by the Economic Stabilization Director.

Respectfully submitted.

RICHARD F. MITCHELL, *Chairman.*

NORRIS C. BAKKE, *Member.*

OTTO S. BEYER, *Member.*

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44

Report
TO
THE PRESIDENT
BY THE
EMERGENCY BOARD

APPOINTED NOVEMBER 6, 1946
PURSUANT TO SECTION 10
OF THE RAILWAY LABOR ACT

To investigate unadjusted disputes between the
Barre & Chelsea Railroad Co. and the St.
Johnsbury & Lake Champlain Railroad Co.,
and certain of their employees represented by
the Brotherhood of Locomotive Engineers,
Brotherhood of Locomotive Firemen and
Enginemen and the Brotherhood of Railroad
Trainmen

CHICAGO, ILLINOIS

DECEMBER 4, 1946

(No. 44)

CHICAGO, ILLINOIS,
December 4, 1946.

THE PRESIDENT,
The White House.

MR. PRESIDENT: The Emergency Board appointed by you November 6, 1946, pursuant to section 10 of the Railway Labor Act to investigate disputes between the Barre & Chelsea Railroad Co. and the St. Johnsbury & Lake Champlain Railroad Co., the carriers, and certain of their employees represented by the Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, and the Brotherhood of Railroad Trainmen, labor organizations, has the honor to submit herewith its report and recommendations based upon its investigation of the issues in dispute.

Respectfully submitted.

JAMES H. WOLFE, *Chairman.*

ROBERT E. STONE, *Member.*

FLOYD MCGOWN, *Member.*

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