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Report
TO
THE PRESIDENT
BY THE
EMERGENCY BOARD

CREATED SEPTEMBER 15, 1947
BY EXECUTIVE ORDER 9891
PURSUANT TO SECTION 10 OF THE
RAILWAY LABOR ACT

To investigate an unadjusted dispute between
the Railway Express Agency, Inc., and certain
of its employees represented by the Interna-
tional Brotherhood of Teamsters, Chauffeurs,
Warehousemen and Helpers of America

(*NMB Case No. A-2584*)

NEW YORK, N. Y.

OCTOBER 13, 1947

NEW YORK CITY, N. Y.,
October 13, 1947.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Emergency Board appointed by you on September 19, 1947, under section 10 of the Railway Labor Act to investigate an unadjusted dispute between the Railway Express Agency, Inc., and certain of its employees represented by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, has the honor to submit herewith its report.

Respectfully submitted.

(Sgd.) LEVERETT EDWARDS, *Chairman.*
(Sgd.) H. NATHAN SWAIM, *Member.*
(Sgd.) NORMAN J. WARE, *Member.*

**REPORT TO THE PRESIDENT BY THE EMERGENCY
BOARD CREATED BY EXECUTIVE ORDER 9891 SEPTEMBER 15, 1947, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT AS AMENDED**

In re: Railway Express Agency, Inc., and certain of its Employees represented by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America

The President appointed this Emergency Board pursuant to the provisions of section 10 of the Railway Labor Act, and in accordance with his Executive order of September 15, 1947, to investigate and report its findings respecting an unadjusted dispute between the Railway Express Agency, Inc., and certain of its employees represented by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America. Said Executive order is as follows:

EXECUTIVE ORDER

CREATING AN EMERGENCY BOARD TO INVESTIGATE A DISPUTE BETWEEN THE RAILWAY EXPRESS AGENCY, INC., AND CERTAIN OF ITS EMPLOYEES

Whereas a dispute exists between the Railway Express Agency, Inc., a carrier, and certain of its employees represented by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, AFL, a labor organization; and

Whereas this dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended; and

Whereas this dispute, in the judgment of the National Mediation Board, threatens substantially to interrupt interstate commerce to a degree such as to deprive a large section of 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 the said dispute. No member of the said board shall be pecuniarily or otherwise interested in any organization of railway employees or any carrier.

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

As provided by section 10 of the Railway Labor Act, as amended, from this date and for thirty days after the board has made its report to the President, no change, except by agreement, shall be made by the Railway Express Agency, Inc., or its employees in the conditions out of which the said dispute arose.

(Signed) HARRY TRUMAN.

The WHITE HOUSE,

September 15, 1947.

The Board convened in Room 705, United States Court House, Foley Square, New York City, N. Y., at 1 o'clock, p. m., on September 24, 1947, with all members present.

At a preliminary organization meeting, the Board elected Leverett Edwards as chairman, and confirmed the appointment of Ward & Paul as its official reporter.

There were appearances by Thomas P. O'Brien and David Kaplan on behalf of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, and Albert M. Hartung and Peter W. Wilson appeared on behalf of the Railway Express Agency.

The Board held public hearings and conferences commencing September 24 and concluding on October 8, 1947.

Pursuant to the request of the President that we should "make every effort to adjust the dispute," conferences were held with representatives of the Railway Express Agency and of the Union. In these conferences, neither side was willing to recede from its position with respect to the proposed increase in wages and shift differentials which the Union had demanded. It was, therefore, found impossible to effect a compromise settlement of the dispute in mediation.

The report of this Board is based on the extensive record consisting of over one thousand pages, and the many exhibits introduced. No elaborate analysis of the record is required. We have confined this report to the reasons and considerations supporting the conclusions set forth below.

HISTORY OF THE DISPUTE

Railway Express Agency, Inc., operates throughout the United States and has at present approximately 75,000 employees. Of this number, approximately one-third are vehicle employees, 7,900 of whom are represented by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, and the remainder are represented by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees. Approximately 3,500 of the vehicle employees represented by the Teamsters are involved in this dispute. Throughout the years the vehicle employees represented by both organizations have received approximately the same treatment insofar as increases in wages and working conditions are concerned.

The vehicle employees represented by the Teamsters' organization are located in eight of the larger cities: San Francisco, Chicago, St. Louis, Cleveland, Cincinnati, Philadelphia, Newark, and the New York metropolitan area.

On April 16, 1947, the Teamsters' organization made a telegraphic demand on the Express Agency for a flat wage increase of 40 cents

per hour and a differential of 20 percent of such increased wage for all shifts starting after 5 p. m., for the vehicle employees in all of the above-named cities except the New York metropolitan district.

On September 2, 1947, a Board of Arbitration sitting at Chicago awarded to approximately 1,000,000 nonoperating railroad employees a flat increase of 15½ cents per hour effective September 1, 1947. This Board was headed by William M. Leiserson as neutral arbitrator and chairman, and Robert D. Calkins as neutral arbitrator and vice chairman, and had as members George M. Harrison and George Wright representing labor, and H. A. Scandrett and J. Carter Fort representing the carriers.

This award was made after extensive hearings and the investigation of all factors involved in the demand of the nonoperating employees for an increase in wages. The carrier members of that Board dissented from the award of the majority.

Immediately following that award the Express Agency, on September 5, 1947, entered into an agreement with the Clerks', Machinists' and Blacksmiths' organizations for the Agency employees represented by those three organizations, granting the same increase of 15½ cents per hour effective September 1, 1947, to all of its employees represented by those three organizations. The employees represented by those organizations constitute approximately 90 percent of all of the employees of the Railway Express Agency, including about two-thirds of the vehicle employees. The same increase, effective the same date, was offered to the Teamsters' organization for the vehicle employees represented by it, but the offer was refused.

Thereupon, the Teamsters' organization requested the appointment of an Emergency Board for the dispute existing between the Agency and the employees in all of said cities except the City of New York, and this Board was thereupon created.

WAGE INCREASE

The main argument of the Union for the requested increase is based upon the alleged fact that the members of this organization have suffered a loss in their traditional position in our economy by reason of the failure of their wages and conditions to keep pace with (a) those of manufacturing industry generally; and (b) those of other vehicle drivers in the cities in which they work and live. A cost of living figure was also introduced to show the wage increases of these employees in relation to the increased cost of living.

The Agency, in its argument, emphasized the relationship between the wages of these employees and those of other railroad and Express Agency groups, as the controlling factor.

This Board, therefore, is required to weigh not only the merits of the Union's contention as to interindustry differentials, but also the relative significance of these two comparisons, inter- and intra-industry wage differentials.

THE INTER-INDUSTRY ARGUMENT

Comparison, Over a Period of Time, of the Wages of the Express Agency Employees and Those of Manufacturing Industry

The Union's argument on this point was supported by tables showing hourly and weekly full-time earnings of Express Agency employees as compared with hourly and weekly full-time earnings in 25 manufacturing industries reported by the National Industrial Conference Board.

We have examined all these figures very carefully and have decided that the tables of weekly earnings are the most informative, and that the figures for 4 months of 1947 cannot be given equal consideration in the comparison with figures for the full 12-month periods that are presented from 1929 to 1946.

The reason we have not given equal weight to the figures for the first 4 months of 1947 is that it is not good statistical practice to compare a 4-month period with a full 12-month period represented in the figures for other years; and further, that these tables are admittedly intended to furnish a comparison of long-term trends.

The Board, therefore, reproduces two tables entered as exhibits by the Union. The first shows the average weekly earnings of the Railway Express Agency employees from 1929 to 1946, and for a 4-month period in 1947; and the second, the average weekly earnings for 25 manufacturing industries for the same period.

(The tables are as follows:)

Average weekly earnings, Railway Express Agency, Inc.

Year	Average earnings per week	Index 1929=100	Year	Average earnings per week	Index 1929=100
1929.....	\$33.56	100.0	1941.....	\$38.65	115.2
1930.....	35.48	105.7	1942.....	43.37	129.2
1931.....	36.22	107.9	1943.....	45.92	136.8
1932.....	32.87	97.9	1944.....	49.92	148.7
1933.....	28.69	85.5	1945.....	50.71	151.1
1934.....	30.39	90.6	1946.....	56.82	169.3
1935.....	33.05	98.5	1947:		
1936.....	33.43	99.6	January.....	54.54	162.5
1937.....	35.08	104.5	February.....	55.51	165.4
1938.....	36.47	108.7	March.....	55.28	164.7
1939.....	36.37	108.4	April.....	56.02	166.9
1940.....	37.01	110.3			

Source: Computed from I. C. C. data.

*Average weekly earnings—Annual average for 25 manufacturing industries,
1929-47*

Year	Average weekly earnings	Index 1929=100	Year	Average weekly earnings	Index 1929=100
1929.....	\$28.55	100.0	1939.....	\$27.04	94.7
1930.....	25.84	90.5	1940.....	28.55	100.0
1931.....	22.62	79.2	1941.....	33.62	117.8
1932.....	17.05	59.7	1942.....	40.03	140.2
1933.....	17.71	62.0	1943.....	45.88	160.7
1934.....	20.12	70.5	1944.....	48.83	171.0
1935.....	22.28	78.0	1945.....	48.46	169.7
1936.....	24.39	85.4	1946.....	47.81	167.5
1937.....	26.80	93.9	1947 (April).....	52.76	184.8
1938.....	24.45	85.6			

Source: National Industrial Conference Board.

Weekly Earnings

Ignoring for the moment the figures for the 4 months of 1947 for the reasons stated above, these tables show that Railway Express Agency employees' earnings fell from \$33.56 per week in 1929 to \$28.69 per week in 1933, while manufacturing wages fell from \$28.55 per week in 1929 to \$17.05 per week in 1932. This was a loss to the Express employees of about 15 percent in 5 years as compared with a loss to the manufacturing workers of about 40 percent in 4 years.

When wages started up again they began first for manufacturing employees and a year later for Express employees, but they reached the 1929 level for Express employees late in 1936 or early in 1937, while for manufacturing employees they did not reach the 1929 level until 1940. By 1946, the last year for which we have a full year's figures, Railway Express employees' earnings had risen to \$56.82 per week, or 69.3 percent above 1929, while earnings of manufacturing industries had risen to \$47.81 per week, or 67.5 percent above 1929.

It is clear from the above that Railway Express employees at the end of 1946 had not lost their traditional position in our economy since 1929, but had maintained it and improved slightly upon it. It should be noted too that they were advantaged during the depression.

It appears from the figures showing increases during the first 4 months of 1947 that the traditional differential between Railway Express employees and manufacturing workers had suddenly been disturbed and that manufacturing employees gained an increase in weekly earnings in these 4 months of \$4.95 per week.

This is due to the fact that increases were gained early in the year for a considerable portion of the manufacturing population, while no increases were secured for Express Agency employees until September 1, 1947. As of September 1, 1947, the Express Agency, as a result of an arbitration in the railroad industry, offered a 15½

cent per hour increase to its employees which was accepted for all its employees but the vehicle drivers represented by the Teamsters. If this 15½ cents should be added to the wages of Express employees it would show an increase after September 1, 1947, over the figure for 1946, of \$6.82 per week without overtime, as against \$4.95 per week for industrial employment with overtime. There were, of course, wage increases to manufacturing employees in the 4-month period between April and September of 1947, but there is no evidence in the record to show what these increases amounted to.

Hourly Earnings

A comparison of full-time hourly earnings as between Railway Express Agency employees and employees in manufacturing industries shows a different condition from that seen in the comparison of full-time weekly earnings. In the manufacturing industries represented in the National Industrial Conference Board reports, the hourly earnings of 1929 were 59 cents. By 1933 this had fallen to 49.1 cents, a reduction of 16.8 percent; while Railway Express Agency employees' earnings were 70.7 cents in 1929 and 64.3 cents in 1933, a drop of 9.1 percent. By 1935, Railway Express Agency hourly rates had returned to 71.8 cents or 1.6 percent higher than 1929, while manufacturing rates were 60 cents per hour, or 1.7 percent better. Full-time hourly earnings in manufacturing in 1941 were 38 percent above 1929; while Railway Express figures in 1941 were only 23.3 percent above 1929. By 1946, hourly earnings in manufacturing industries had risen to \$1.197, or 102.9 percent above 1929; while Railway Express Agency figures had risen only to \$1.221, or 72.7 percent above 1929.

It is upon this discrepancy chiefly that the Union rests its case. In view of the fact that no such discrepancy exists in weekly earnings as is found in hourly earnings, it is clear that the difference must arise from other than wage conditions. The employees of the Railway Express Agency work a 44-hour week. Manufacturing industry generally works a 40-hour week. So that the real explanation of the difference between the trends shown in hourly earnings and weekly earnings is found not in the wages themselves or in wage increases, but in hours and hour reductions.

Railway Express Vehicle Employees' Hourly Earnings Compared With Hourly Earnings of Other Vehicle Drivers

A current comparison was introduced by the Agency between the hourly rates of Express Company vehicle drivers and general freight drivers in the cities in which the Express Agency operates. This comparison shows rates per hour and hours of work for July 1, 1946,

and July 1, 1947, for about 70 cities. Of these, only 7 are involved in this case, but these 7 are the larger cities. The Board will not go into detail as to the conditions in cities not involved in these proceedings except to point out that, in general, the Express employees receive a higher hourly rate and work shorter hours than general freight drivers.

The following conditions are found in the seven cities we are here concerned with:

(1) Chicago: The largest group of Railway Express vehicle drivers in Chicago received, on July 1, 1947, \$1.309 per hour, for a 44-hour week. There are a number of different rates for drivers of other vehicles in the city, but the work of freight drivers of 3- to 5-ton trucks seems to be comparable to that of the Railway Express vehicle driver. As of July 1, 1947, the rate of these freight drivers was \$1.40 per hour for a 40-hour week. Thus, in Chicago, Railway Express drivers are now paid about 9 cents less per hour and work 4 more hours per week than general freight drivers.

(2) Cincinnati: In Cincinnati, Railway Express drivers are paid \$1.17 per hour for a 44-hour week, while general freight drivers are paid \$1 per hour for a 51-hour week. This is an advantage enjoyed by the Railway Express drivers of 17 cents per hour and 6 hours per week.

(3) Cleveland: In Cleveland the figures are: Railway Express drivers, \$1.24 per hour for 44 hours; cartage drivers, \$1.245 for 48 hours, giving the Railway Express drivers an advantage in hours per week, and a half-cent-per-hour disadvantage in wages.

(4) Newark: In Newark, Railway Express drivers receive \$1.206 for 44 hours; general freight drivers, \$1.357 for 48 hours, giving general freight drivers an advantage of about 15 cents per hour as against a disadvantage of 4 hours per week.

(5) Philadelphia: Railway Express drivers here receive \$1.235 per hour for a 44-hour week, and cartage drivers \$1.25 per hour for a 40-hour week, giving the cartage drivers an advantage of 1½ cents per hour and 4 hours per week.

(6) St. Louis: Railway Express drivers here receive \$1.177 for a 44-hour week; cartage drivers \$1.20 for a 40-hour week, giving cartage drivers an advantage of 2.3 cents per hour and 4 hours per week.

(7) San Francisco: Railway Express drivers receive \$1.292 per hour for a 44-hour week; cartage drivers \$1.437 per hour for a 40-hour week, giving the cartage drivers an advantage of 14.5 cents per hour and 4 hours per week.

It is clear from this exhibit that while Express drivers are better off generally throughout the country as to wages and hours, they are

worse off in nearly all of the cities involved in this case as to hours, and in most of them as to both hourly rates and hours.

In Chicago, Philadelphia, St. Louis, and San Francisco, the Express drivers are worse off as to both hourly rates and hours; in Cleveland and Newark the Express drivers are better off as to hours only; and in Cincinnati the Express drivers are better off as to both hourly rates and hours.

It should be noted that this comparison is based on hourly rates and therefore influenced by the hours of work. The evidence does not show the weekly earnings of these employees.

An increase of 15½ cents per hour to Railway Express drivers at this time would wipe out any unfavorable differential as to hourly rates in relation to cartage drivers at all points involved in this case, and would leave the Express drivers disadvantaged in relation to cartage drivers only in respect to hours of work in five of the seven cities involved.

INTRAINDUSTRY COMPARISON

The Union has based its demands in this dispute on two principal factors: The increased living costs, and increases in wages to employees in companies other than the Railway Express Agency. They have, as pointed out above, introduced evidence tending to show that a former differential between their hourly rates and the rates of truck drivers in the seven cities had been in large measure wiped out. It is admitted, however, that the differentials existing between the wages of these men and railroad employees generally, and between the wages of these men and other employees of the Express Agency, have been maintained for many years. These latter differentials were arrived at through collective bargaining, the awards of arbitration boards, and the recommendations of emergency boards.

In determining the amount of wage increase, if any, which should be granted to these men, we must consider their relation to the railroad industry in general, and their relation to the other employees of the Express Agency.

The Railway Labor Act expressly covers Express Companies and any company owned or controlled by any carrier by railroad, and which operates any equipment or facilities or performs any service in connection with the transportation of property by railroads. The Railway Express Agency, Inc., is wholly owned and controlled by carriers by railroad. The Agency is also subject to the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Thus, the Congress has recognized the Express Agency as a part of the railroad industry.

The Express Agency, in addition to being wholly owned by the railroad companies, is controlled by a board of directors, practically all of whom are operating officials of railroads. The bulk of all express shipments is carried by rail, and the net earnings of the Agency after the payment of operating expenses, taxes, and so forth, are paid to the railroad companies as "Express privilege payments" in proportion to the amount of express shipments handled.

Many previous emergency boards, after careful consideration of all factors involved, have found that the Express Agency is an integral part of the railroad industry, and that its employees are railroad employees and should be so treated in respect to wages. (The Sharfman Board, May 1943; the Shaw Board, June 1943; the Woolley Board, May 1946.)

Since 1929 the wages of Express employees have closely followed the pattern of wages fixed for other railroad employees.

The employees of the Express Agency enjoy certain advantages in being considered and treated as railroad employees. Employment and wages in the railroad industry are more stable than in most other industries. In times of depression, railroad wages move down more slowly and lay-offs are more infrequent. Shut-downs in the railroad industry do not occur.

The amounts paid by the Express Agency for retirement benefits and unemployment insurance benefits for all of its employees as railroad workers, amounts to a total of $8\frac{3}{4}$ percent of the employees' wages, while for similar benefits for employees in other industries the employers pay only 3 percent of the employees' wages. The beneficial provisions for railroad employees are sufficiently greater that this $5\frac{3}{4}$ percent differential may properly be considered as additional wages which these employees are receiving over the employees of industries covered by the Social Security Act.

On the other hand, the consideration and treatment of these employees of the Express Agency as railroad employees makes it necessary to fit a wage increase for them to the pattern set for other railway employees and for the other employees of the Express Agency.

As we have shown above, on September 2d of this year, a board of arbitration, after prolonged hearings and an exhaustive examination of all pertinent facts, found that the nonoperating railroad employees of the Nation should be granted a flat wage increase of $15\frac{1}{2}$ cents per hour. The facts as to the increase in the cost of living and the progress of wages in other industries were presented to that board of arbitration, and considered by that board.

As we have also shown above, just three days later the Express Agency executed an agreement with the Clerks', Machinists' and Black-

smiths' organizations providing that all employees represented by those three organizations should receive the same increase in wages effective the same date. The employees covered by that agreement constitute 90 percent of the employees of the Express Agency, and two-thirds of the vehicle employees. All of the employees under that agreement are now working and receiving wages pursuant to that agreement.

The same increase was offered to the employees represented by the Teamsters, but was refused.

If the employees involved in this dispute were now granted an increase in excess of the increase awarded to the nonoperating railroad employees, and in excess of the increase negotiated with the three other organizations for 90 percent of the Express Agency employees, the differentials established and maintained throughout the years between Express employees and the other employees of the railroad industry, and between the employees involved in this dispute and the other Express employees, would be destroyed. This would again throw the entire wage structure of the railroad industry, and particularly of the Express Agency, out of balance. This would cause dissatisfaction and unrest among the nonoperating railroad employees, and would immediately precipitate new demands by the three organizations representing the 90 percent of the Express employees who have accepted the 15½-cent increase.

The Teamsters represent only one-third of the vehicle employees of the Express Agency, while two-thirds of the vehicle employees are represented by the Clerks' organization. Something less than half of the vehicle employees represented by the Teamsters are involved in this dispute. All vehicle employees represented by the Clerks and the Teamsters do similar work under similar conditions, and for the same company. There is considerable rivalry between the two organizations. If the Express Agency were to grant a greater increase in wages to the vehicle employees here involved than it granted to the vehicle employees represented by the Clerks, it would promptly be justly accused of unfairness and discrimination against the Clerks' organization and against the vehicle employees that organization represents.

In 1940, the Devaney Emergency Board, in discussing the demand of the Clerks for a 44-hour week after it had been granted to the vehicle employees represented by the Teamsters, said (Railway Express Agency Exhibit No. 3, page 10):

* * * At the very minimum, the 44-hour week must now be granted to all vehicle employees within the jurisdiction of the Clerks, without reduction in compensation. The former policy of equal treatment of comparable members of the two labor organizations is called for. No drawing of a line between the employees

working in larger and employees working in smaller places, such as has been suggested by the Agency, is practicable or feasible.

Nor does this Board regard it as constructive or proper to draw a line between vehicle employees and platform and depot foremen, warehouse and platform clerks, warehouse and platform laborers, and others down to and including car loaders, engaged in the handling and care of incoming and outgoing shipments of express matter. * * * It is the opinion of this Board that no such line should be drawn between occupational groups employed in handling and caring for express parcels at terminals and that platform and depot foremen, warehouse and platform clerks, warehouse and platform laborers, truckers, car loaders and all others functioning in a coordinated way in handling incoming and outgoing shipments as well as vehicle employees should be granted the 44-hour week without reduction in compensation.

It should be noted that, as shown by the above quotation, the Devaney Board was also of the opinion that no line for different treatment could be drawn between employees working in larger places and employees working in smaller places.

In this case we are confronted by demands by the Teamsters which, if granted, would give to the vehicle employees in the seven large cities here involved an increase in wages of more than the 15½ cents per hour, and would thereby destroy the long-existing differentials between the wages of the vehicle employees working in these cities and the wages of vehicle employees represented by the Clerks and working in all other cities.

During the war years it became the fixed policy of the War Labor Board not to disturb long-existing differentials, particularly when they had been the result of collective bargaining. While the policy of the War Labor Board was not binding on Emergency Boards, that policy was usually followed. The Mitchell Emergency Board, appointed January 22, 1945, after reviewing the policy of the War Labor Board, refused to recommend a wage increase to the vehicle employees working out of the Newark Agency which would have eliminated the differential in the wages of those employees and the wages of the vehicle employees of the Agency at Jersey City and other points.

While the Government controls on wage stabilization which were in effect when the above policy was announced have now been taken off, the underlying principle is still sound in the economic conditions with which we are faced today.

Had the employees involved in this dispute accepted the offer of the Agency for a 15½-cent increase in wages effective September 1, 1947, they would have fitted into the wage pattern then set for non-operating railroad employees, and accepted by 90 percent of the employees of the Express Agency, and all differentials within the Express Agency and within the railroad industry, insofar as the wages of these employees were involved, would have been maintained.

In consideration of the above, this Board does not feel justified in recommending that the Agency grant to these men an increase of more than 15½ cents per hour as of September 1, 1947.

SHIFT DIFFERENTIAL

We come now to a discussion of the request of the Teamsters for a shift differential of 20 percent over the increase in wages requested, for employees starting work between the hours of 5 p. m. and midnight.

During recent years, and particularly during the war years when most of industry was operating at a high capacity, night-shift differentials became widely established and accepted.

There is much merit in the practice of paying some bonus in wages to the employee undertaking to work the more disagreeable late shifts, for, as it was once so aptly stated by Mr. Harry Carr, veteran official of the Machinists' organization, in a proceeding involving the same question, "Man is not naturally a nocturnal animal"; and the scheduling of his work hours within and through the late watches of the night will often work severe inconvenience.

During the wartime years and periods when production was at a peak, shift differentials no doubt also served as a very useful inducement to employees to accept night employment.

Employees in this case have offered some testimony to indicate that shift differentials have been in effect at various points on the railroad and within the Express service for a number of years. Railway Express Agency, Inc., has countered with testimony that shift differentials in effect in such service have been insignificant.

We find the facts to show beyond question that night-shift differentials have never been widely prevalent or common in the railroad industry. It does not appear that such have been negotiated within the railroad industry, with one or two possible and very minor exceptions which we do not feel at this time to be controlling.

Employees introduced among their exhibits a study prepared by the Bureau of Labor Statistics by Karl Hafen of the Bureau's Wage Analysis Branch, and published in the Monthly Labor Review, August 1947.

From the report of this study we quote:

The majority of manufacturing establishments in the United States operating evening or night shifts paid shift differentials in 1945-46; most frequently these premium payments amounted to 5 cents an hour added to the first-shift hourly rate. However, despite high war and postwar production levels during this period, only about a fourth of the workers in the industries studied were employed on late shifts. Most of these employees were on evening shifts; only about 1 worker in 16 was employed on a night-shift schedule.

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The information presented here represents a summary of shift-employment and shift-differential practices in 56 industries studied by the Bureau of Labor Statistics during 1945-46. Together, these industries employed almost half of all manufacturing workers and were representative of all broad manufacturing industry groups except rubber, petroleum refining, lumber, printing, shipbuilding, and basic iron and steel.

Among the total selected group of manufacturing industries covered by this study for the years 1945-1946, it was found that 5,690 establishments operated a second shift, of which 3,239 paid a differential; and 2,781 operated a third and/or other shift, for which 1,765 paid a differential.

The above study, as well as other evidence offered by Employees, definitely indicates both custom and trend in relation to shift differentials in various manufacturing industries, and even in some transportation industries and public utilities, but when we turn to the railroad industry, from which we draw our closest comparison, there is a different picture.

The Woolley Board, which made its report to the President on May 23, 1946, in a proceeding between the Railway Express Agency, Inc., on the one hand, and the Machinists, the Blacksmiths, and the Clerks on the other, had before it a request of the Machinists for shift differentials. That Board recommended the withdrawal of the request for the reason that a certain pattern of wage adjustments then recently established in the railroad industry was being followed by the Woolley Board, which pattern did not contemplate shift differentials.

Our attention has been called to various decisions of the Director General of Railroads, and the United States Railroad Labor Board, denying shift differentials in the railroad industry. The War Labor Board when in operation established certain criteria for denying shift differentials which this Board feels have present validity. Among these standards, we find the following to be applicable in the present case:

1. The nature of the service requires continuous operation.
2. The employee understands, when accepting the employment, that night work will be necessarily required to maintain such continuous operation; and presumably this fact is considered in fixing the rates.
3. A well-established system of seniority prevails under which the senior man is entitled to a choice of shifts.

Under any or all of these criteria we are unable to recommend the shift differential for this industry and there is little doubt that in view of the importance of seniority in the railroad industry, anything tending to reduce its value might work to the disadvantage of the employees.

RECOMMENDATIONS

The Board therefore recommends:

(1) That the Railway Express Agency, Inc., should renew its offer of an increase in wages of 15½ cents per hour to the men involved in this dispute, effective as of September 1, 1947; and that said offer should be accepted by said employees.

(2) That the employees' request for a shift differential be not granted.

Respectfully submitted.

(Sgd.) LEVERETT EDWARDS, *Chairman.*

(Sgd.) H. NATHAN SWAIM, *Member.*

(Sgd.) NORMAN J. WARE, *Member.*