Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

APPOINTED AUGUST 11, 1950, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT AS AMENDED

To investigate disputes between the Atlantic and East Carolina Railway Company and certain other carriers and certain of their employees represented by the sixteen cooperating Railway Labor Organizations (nonoperating)

(*NMB Case No. A-3444*)

WASHINGTON, D. C.

SEPTEMBER 9, 1950

(No. 92)

WASHINGTON, D. C., *September 9, 1950.*

The PRESIDENT,

The White House,

Washington, D. C.

MR. PRESIDENT: The Emergency Board appointed by you on August 11, 1950, under Executive Order 10150 pursuant to section 10 of the Railway Labor Act as amended (45 U. S. C. 160) to investigate disputes between the Atlantic & East Carolina Railway Co. and 25 other Carriers, and certain of their employees represented by the 16 cooperating railway labor organizations (nonoperating), has the honor to submit herewith its report and recommendations based upon its investigation of the issues in dispute.

The Board is pleased to state that after extensive hearings and mediation a number of the parties were enabled to compose their differences and settle their disputes as indicated in this report.

It is the hope of this Board that by virtue of its study and its recommendations made herewith, the remaining parties may now effect settlements so that the emergency requiring the Board's creation will end.

Respectfully submitted.

THOMAS F. GALLAGHER, *Chairman.*
WALTER GELLHORN, *Member.*
GEORGE W. STOCKING, *Member.*

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REPORT OF EMERGENCY BOARD APPOINTED AUGUST 11, 1950, UNDER SECTION 10 OF THE RAILWAY LABOR ACT AS AMENDED (45 U. S. C. 160) TO INVESTIGATE THE DISPUTES BETWEEN THE ATLANTIC & EAST CAROLINA RAILWAY CO. AND CERTAIN OTHER CARRIERS AND CERTAIN OF THEIR EMPLOYEES REPRESENTED BY THE 16 COOPERATING RAILWAY LABOR ORGANIZATIONS (NONOPERATING) ALL AS SET FORTH IN EXECUTIVE ORDER 10150 AND TO REPORT THEREON TO THE PRESIDENT WITHIN 30 DAYS FROM THE DATE OF SUCH EXECUTIVE ORDER

INTRODUCTION

On August 11, 1950, the President of the United States issued an Executive order, creating an emergency board to investigate disputes between 26 carriers and 16 cooperating railway labor organizations representing certain of the nonoperating employees of said carriers, as follows:

Executive Order

CREATING AN EMERGENCY BOARD TO INVESTIGATE DISPUTES BETWEEN THE ATLANTIC & EAST CAROLINA RAILWAY CO. AND OTHER CARRIERS, AND CERTAIN OF THEIR EMPLOYEES

Whereas disputes exist between the Atlantic & East Carolina Railway Co. and certain other carriers designated in list A attached hereto and made a part hereof, and certain of their employees represented by the 16 cooperating nonoperating labor organizations designated in list B attached hereto and made a part hereof; 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 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 the said disputes.

Each of the carriers involved shall be given independent consideration in such investigation, and the said labor organizations shall be permitted to function as a unit in proceedings before the Board.

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 disputes within 30 days from the date of this order. The Board may, to the extent it deems necessary or desirable, make separate and independent findings with respect to each of the carriers involved.

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 carriers involved or their employees in the conditions out of which the said disputes arose.

HARRY S. TRUMAN.

THE WHITE HOUSE,
August 11, 1950.

LIST A

Atlantic & East Carolina Railway Co.
Barre & Chelsa Railroad Co.
Belfast & Moosehead Lake Railroad Co.
Chicago, Aurora & Elgin Railway Co.
Chicago, South Shore & South Bend Railroad.
Columbus & Greenville Railway Co.
Copper Range Railroad.
Denver Union Stockyards Co.
Des Moines & Central Iowa Railway Co.
El Paso Union Passenger Depot Co.
Escanaba & Lake Superior Railroad Co.
Galveston Wharves.
Huntingdon & Broad Top Mountain Railroad & Coal Co.
Lancaster & Chester Railway Co.
Meridian & Bigbee River Railway Co.
New Orleans & Lower Coast R. R. Co.
Ogden Union Stockyards Co.
Old Point Comfort Joint Agency.
Rio Grande Southern Railroad.
St. Johnsbury & Lamoille County Railroad.
Salt Lake Union Stockyards Co.
Sioux City Terminal Railway.
Stockyards District Agency of Chicago.
Tennessee Railroad Co.
Texas Pacific-Missouri Pacific Terminal Co. of New Orleans.
Winona Railroad Co.

LIST B

International Brotherhood of Blacksmiths, Drop Forgers and Helpers.
International Brotherhood of Boilermakers, Iron Ship Builders, and Helpers of America.
Brotherhood Railway Carmen of America.
International Brotherhood of Electrical Workers.
International Association of Machinists.
Sheet Metal Workers' International Association.
International Brotherhood of Firemen, Oilers, Helpers, Round House, and Railway Shop Laborers.
Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees.

Brotherhood of Maintenance of Way Employees.
The Order of Railroad Telegraphers.
Brotherhood of Railroad Signalmen of America.
National Organization Masters, Mates, and Pilots of America.
National Marine Engineers' Beneficial Association.
International Longshoremen's Association.
Hotel and Restaurant Employees' and Bartenders' International Union.
Railroad Yardmasters of America.

Pursuant to this order, the President of the United States, under date of August 11, 1950, designated Thomas F. Gallagher, of Minneapolis, Minn., Walter Gellhorn, of New York, N. Y., and George W. Stocking, of Nashville, Tenn., to constitute the Board. It met at Washington, D. C., August 16, 1950, and selected Associate Justice Thomas F. Gallagher as chairman, and designated Johnston & King, 518 Southern Building, Washington, D. C., as official reporters. Appearances before the Board are set forth in appendix A hereto attached.

Immediately following its organization the Board commenced hearings and continued in session for the purpose of receiving testimony and exhibits until August 31, 1950, when the presentation of evidence was terminated and arguments of counsel on behalf of the parties were presented.

The record consists of 1,753 pages of testimony, together with 33 exhibits received on behalf of the employees' organizations and 57 exhibits received on behalf of the various carriers.

During the hearings, as a result of the Board's mediation, a number of disputes were settled and withdrawn from the Board's consideration. In this way the controversies involving the following carriers were terminated: Des Moines & Central Iowa Railway Co.; El Paso Union Passenger Depot Co.; Escanaba & Lake Superior Railroad Co.; and Old Point Comfort Joint Agency.

The Board went into executive session upon the completion of the formal hearings. In accordance with the mandate of the Executive order it gave careful consideration to the issues presented, the evidence submitted and the arguments of counsel with respect to each carrier. This report, containing the conclusions of the Board and its recommendations based on a full examination of all factors involved, is submitted as required by the Executive order.

HISTORICAL BACKGROUND

The 16 cooperating railway labor organizations involved in these disputes (see list B above) represent what are designated as carriers' nonoperating employees, that is, employees other than train and engine crews. Generally speaking, they represent the crafts indicated in their official designations, but in many instances an officially designated organization may represent employees not ordinarily comprehended within its descriptive classification. Thus, for example, station restaurant employees of certain carriers are represented by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees, rather than by the Hotel and Restaurant Employees' and Bartenders' International Union. Likewise, towermen may be represented by the Order of Railroad Telegraphers rather than by the Brotherhood of Railroad Signalmen of America.

Moreover, certain of the employees' organizations set forth in list B have at times been grouped together under what are designated "system federations" for the purpose of contract negotiations, interpretations thereof, and representations thereunder for the several organizations. Thus, System Federation No. 121 of the A. F. of L. has executed contracts in certain instances for and on behalf of the International Association of Machinists; the International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America; the International Brotherhood of Blacksmiths, Drop Forgers, and Helpers; the Sheet Metal Workers International Association; the International Brotherhood of Electrical Workers; the Brotherhood of Railway Carmen of America; and the International Brotherhood of Firemen, Oilers, Helpers, Round House, and Railway Shop Laborers.

On April 10, 1948, these 16 railway labor organizations initiated a joint wage and rules revision movement by serving notice thereof on all carriers on which any of the organizations held representation, including the carriers here involved. These organizations requested:

(*a*) Establishment of a 40-hour workweek, Monday through Friday, with no reduction in take-home pay from the present earnings for a 48-hour week.

(*b*) Premium pay for all service on Saturdays, Sundays, and holidays with a minimum of 8 hours pay on any of these days; time and a half to be paid for Saturdays and double time for Sundays and holidays.

(*c*) A general increase of 25 cents an hour in addition to the adjustments necessary to maintain 48-hour earnings in a 40-hour week.

The carriers presented certain counterproposals. Negotiations were thereafter conducted between the organizations and the various carriers involved on the individual properties of the latter, all of which ended in disagreement. Subsequently national committees were created on behalf of most of the carriers and on behalf of the 16 railway labor organizations to negotiate on the matters in dispute. The carriers' conference committees were known as the Eastern Carriers' Conference Committee, the Western Carriers' Conference Committee, and the Southeastern Carriers' Conference Committee. The organizations' committee was known as the National Employees' Conference Committee.

These conference committees were unable to arrive at a settlement, and they invoked the services of the National Mediation Board. That agency having been unable to compose the differences between the parties, the employees voted to strike. The President on October 22, 1948, established an Emergency Board to investigate and report to him on the controversy.

That Emergency Board, hereinafter referred to as the Leiserson Board after its chairman, reported to the President on December 17, 1948, and made the following recommendations for settling the dispute:

(1) A wage increase to all employees involved (except yardmasters) of 7 cents per hour, effective October 1, 1948.

(2) The establishment of a workweek of 5 days of 8 hours each with two consecutive rest days (Saturday and Sunday as far as possible) and payment for 40 hours equal to that previously paid for 48 hours, with time and one-half for any services performed outside of the workweek thus established, effective September 1, 1949; and in addition certain reductions in the hours of monthly paid employees.

(3) An increase of 10 cents per hour for yardmasters without an immediate change in the workweek for such employees, effective October 16, 1948.

Subsequent to the report of the Leiserson Board the three carriers' conference committees and the employees' national conference committee undertook negotiations to effectuate an agreement incorporating the recommendations contained in the report. On March 19, 1949, these parties reached an agreement based upon the Leiserson Board's recommendations applicable to 190 carriers, parties to the conference committees' proceedings. At the same time an agreement was reached which provided that the workweek for yardmasters should be the subject of further negotiations without the necessity of inaugurating new proceedings under the Railway Labor Act.

Thereafter individual agreements carrying into effect the terms of the March 19, 1949, contract were executed on the properties of the carriers represented by the conference committees. Subsequently, 141 additional carriers on whom the original notices had been served entered into identical agreements on their respective properties. As a result, the disputes arising out of the original notice of April 10, 1948, and the contract proposals of the carriers have been uniformly settled with employers of more than 99½ percent of all employees represented by the 16 cooperating organizations.

On August 1, 1950, only 31 carriers out of all those subject to the provisions of the Railway Labor Act had failed to enter into agreements similar to the March 19, 1949, contracts. Thereupon the employees' organizations issued a strike ballot to such of the carriers' employees as were represented by them, and the appointment of this

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Emergency Board followed on August 11, 1950. Since the distribution of these strike ballots, 5 of the 31 carriers have signed contracts giving effect to the March 19, 1949, agreement. These proceedings were thus narrowed to a consideration of the reasons advanced by the 26 remaining carriers for refusing to enter into like agreements.

THE POSITION OF THE CARRIERS

The carriers here have not denied the propriety of the employees' demands as applied to the railroad industry generally. One carrier contends that it has already fully applied the terms of the March 19, 1949, agreement. Several others maintain that for special reasons, which this Board will discuss in making its recommendations concerning specific carriers, the terms of that agreement should not be applied to certain of their employees But most of the carriers that appeared before the Board have rejected the agreement of March 19, 1949, solely because of asserted financial inability to accept it. These are all short-line railroads, which the general counsel for the American Short Line Railway Association defined as any railroad "short in cash or short in mileage or short in both." Their main defense was characterized by counsel as their "usual poverty plea."

THE POSITION OF THE EMPLOYEES

The employees deny vigorously that there is any justification in principle or in practice for giving special treatment to the so-called short-line carriers in general or to the specific carriers before this Board. They contend with respect to short-line carriers in general, and for the most part with respect to the particular carriers now involved, that like all other types of railroads, some are prosperous, some are not so prosperous; some are independently operated, some are corporately related to other industries. All have shown the same trends in employment and in labor productivity. As with other carriers so with these, some employees live in small towns, some in large cities. All have similar job responsibilities and all encounter similar problems in maintaining living standards.

The employees deny that all these carriers are poor and they insist that even if they were, their poverty is irrelevant. They point out that the wage and hour adjustments in dispute are the result of a national movement designed to obtain for the nonoperating railway employees a workweek not longer than that which has come to be regarded as the proper standard for industry generally, and to insure reasonable and fair wage rates in doing so. They argue that there is no longer justification for any railroad, strong or weak, rich or poor, trunk line or short line, to cling to the workweek of a bygone era, and that in making the adjustments in the railway industry the cost must be borne by the employers, not by the workers, as it has been in industry generally.

They observe that 190 class I railroads and short-line carriers were immediate parties to the agreement of March 19, 1949, and that 141 other carriers promptly accepted it. The issue as they see it is simply whether a few recalcitrant carriers, employing less than one-half of 1 percent of all nonoperating employees, shall continue to discriminate against their employees.

They argue that the March 19, 1949, agreement is itself a compromise, granting to the employees a smaller wage increase than they were entitled to, and that there is no room for further compromise. They urge that most of the carriers involved in this dispute, even before the 1949 agreement, paid lower wages than generally prevailed in the industry, and that they now wish to widen these differentials by getting preferential treatment.

They point out that these carriers have been parties to proceedings before the Interstate Commerce Commission, demanding rate increases designed to cover the added costs of the 1949 agreement, and have been the beneficiaries of tariff increases which the Interstate Commerce Commission has approved for this purpose.

Moreover the employees emphasize that the cost of instituting the 40-hour week without reducing straight time earnings has been far less than the Leiserson Board had estimated. In truth, they conclude that there has been no statistically measurable increase in employment or cost resulting from the 40-hour week in the railroad industry. A brief summary of their argument and evidence in support of this conclusion follows:

To reduce the workweek from 48 hours to 40 with no decrease in straight-time weekly earnings would cost the railroads nothing unless it compelled them to hire more employees or to work their labor force more overtime. Interstate Commerce Commission statistics show that during each month of 1949, before as well as after the adoption of the 40-hour week, the class I steam railways of the United States employed fewer nonoperating employees than in the corresponding month for 1948. The comparative decline in employment accelerated in June, July, and August of 1949 immediately before the adoption of the 40-hour week. It reached a peak in October, 1 month after the 40-hour week became effective. Class I railroads used 14.1 percent fewer nonoperating employees in September 1949 than they had used in September 1948, 19.3 percent fewer in October 1949 than in October 1948, and 16.6 percent fewer in November 1949 than in November

1948. The employees do not contend that the 40-hour workweek in and of itself reduced employment. They recognize that declining employment during 1949 reflected in part a decline in traffic. But they insist that the decline in employment just about matched the decline in traffic. And they contend that there is little or no evidence to indicate that a reduction in the hourly workweek required more employees to handle a given volume of traffic. Thus, they point out that the number of employees per million revenue traffic units[1] increased from 18.2 in August 1949 to only 18.7 in September 1949, when the shorter workweek became effective. By April 1950, it was back to the April 1949 figure, 17.7.

Moreover, they find no evidence that the decrease in the workweek increased overtime work. In truth, overtime hours worked in September 1949 were only 71 percent of overtime hours worked in August 1949, and only 38.9 percent of overtime hours worked in September 1948. Overtime hours worked by nonoperating employees on steam railways for each month from September 1949 through April 1950, during which time the 40-hour workweek was in effect, have ranged from 47.1 percent to 72.9 percent less than overtime hours worked during the corresponding months of the previous year when the 48-hour week was in effect. Clearly, they point out, the 40-hour week has been accompanied by no increase in overtime.

Authority as well as statistical analysis supports the employees' contention that the introduction of the 40-hour workweek has cost less than anticipated. The Leiserson Board estimated that the 40-hour week might necessitate a 14 percent increase in employment. The Interstate Commerce Commission, acting on this estimate, calculated in its first proceeding in *Ex Parte* 168 (the freight rate increase case of 1948–49) that a 40-hour workweek would cost the carriers $450,000,000 a year. In its final decision in that case on August 2, 1949, after a decline in traffic and a resultant decline in employment, the Commission reduced its estimate to $380,000,000. A few months later, in making a decision in a passenger fare case involving eastern railroads, the Commission again reduced its estimate of the cost for the carriers in the eastern region from $195,200,000 to $175,000,000. Reducing proportionately the Commission estimate for all the carriers gives an estimated total cost of $341,000,000 a year.

But experience of some carriers suggests that even these figures may be much too high. For example, the annual report of the Illinois Central Railroad for 1949 indicates that the cost of the 40-hour week has been negligible. Its president, reporting that railroad's experi-

[1] A revenue traffic unit is the sum of the number of revenue freight tons carried 1 mile and twice the number of passengers carried 1 mile.

ence during the closing months of 1949, estimated that the adjustment was costing only at the rate of $500,000 a year. In its appearance before the Interstate Commerce Commission before the 40-hour week became effective this carrier had estimated that the 40-hour week would cost it $14,000,000. Its revised estimate based on actual operations was only about 3.5 percent of its original estimate.

The Board regards this as persuasive evidence, uncontested as it is, that management has been able so to revise its work schedule and thereby so to increase efficiency that the 40-hour week has cost far less than anticipated.

THE ISSUE IS JOINED

Without offering evidence to refute the employees' testimony, the carriers generally denied that they could inaugurate a 40-hour week with pay for 48 hours without a corresponding increase in costs. Each estimated its cost on the seemingly unwarranted assumption that the shorter workweek would require either proportionately more employees at straight time or proportionately more overtime. They are too poor, they contended, to meet these anticipated expenses.

But regardless of cost and regardless of the financial position of any carrier, the employees contended that all carriers should accept the Leiserson Board's recommendations as reflected in the March 19, 1949, agreement. In short, they argued that ability to pay is wholly irrelevant, citing numerous decisions of arbitration and emergency boards to support their view. Carriers' counsel, citing numerous emergency board decisions to support his position, maintained just as vigorously that the finances of a carrier could not be ignored.

Thus the main issue before the Board is sharply joined: Shall the Board consider the financial position of each carrier in determining its findings and recommendations? If the employees' position is correct, this Board has no alternative. It must find that all the carriers whose plea is poverty should apply without deviation all of the provisions of the 1949 agreement. If the carriers are correct, the Board must consider the employees' demands on the several carriers separately, giving special consideration to the financial condition of each that enters a poverty plea.

HISTORY OF GENERAL WAGE MOVEMENTS

To resolve this issue the Board finds it necessary to review briefly the history of wage movements in the railway industry. Before doing this the Board notes that the ability-to-pay principle has two main aspects: (1) Ability of the industry as a whole to meet the costs of employee demands, (2) ability of individual carriers to meet them.

With respect to the first of these aspects, the Board observes that if the country is to have an efficient railway transportation system, in the long run the carriers must not merely meet their operating costs but must have money with which to improve and expand their facilities to meet the needs of a dynamic economy. Either this money must come from earnings, or from outside capital enticed into the industry by attractive earnings, or it must be provided by the Government. Since the railroads are expected to provide their own capital requirements, agencies making decisions that affect the operating costs of railroads cannot ignore the financial ability of the carriers as a group to meet these costs.

This principle has been generally recognized in all national wage movements. This was true under the administration of the Railroad Labor Board, established by the Transportation Act of 1920, and it is also true in the administration of the Railway Labor Act of 1926 as amended in 1934. Although different agencies have given different weight to the principle of ability to pay and although they have taken account of numerous other factors—man-hour productivity, comparative skill and hazard, wage trends, cost of living, relative wage rates, and the like—they have generally recognized that wage rates should not markedly rise except when the industry is prosperous. Less frequently they have concluded that when business is generally declining, revenues falling off, and the cost of living going down, wages should be reduced. Thus, when the 1920–21 business recession brought a substantial decline in the net operating income of the carriers and a decline in living costs for the workers, in its decision No. 147, the Railroad Labor Board, in response to the demands of the Carriers, granted wage reductions averaging 12.2 percent. In 1922 it granted further reductions in decisions Nos. 1028, 1036, and 1074, covering different groups of employees. It based these decisions on declines in living costs, in wages in other industries, and in net operating income of the carriers.

With a growing distrust of the Railroad Labor Board, during the prosperous 1920's the employees relied largely on collective bargaining to improve their lot, and obtained substantial wage increases by direct negotiations. Despite the fact that with the onslaught of the great depression, wages remained somewhat below the level of 1920, the carriers and their employees on January 31, 1932, agreed to an immediate 10-percent reduction in the wages of all employees, to last for 1 year. In December 1932, the parties extended the agreement to October 31, 1933; later they extended it to June 10, 1934. With a reversal in the downward trend of business and prices the carriers and railway labor reached an agreement on April 26, 1934, to terminate the wage reduction and to restore wages to their predepression level—2½ percent of the 10 percent cut to be restored on July 1, 1934; another 2½ percent on January 1, 1935; and the remaining 5 percent on April 1, 1935. Thus, by April of 1935, wage rates had been restored to the 1931 level.

With business on the upswing, railway labor initiated negotiations for a wage increase in 1937. Through the efforts of the National Mediation Board the parties reached an agreement on October 3, 1937. This agreement provided for a wage increase for all employees of about 7½ to 8 percent. The ink on this agreement had hardly dried before the business slump of 1937–38 was well under way. Car loadings and net railway operating incomes decreased sharply in November and December 1937 and continued to decrease in the first quarter of 1938. With cost up and income down, the carriers petitioned the Interstate Commerce Commission for a 15-percent increase in freight rates. The Commission authorized only a 5-percent increase.

Disappointed, the carriers sought further relief by initiating a national movement to reduce wages by 15 percent. After negotiation and mediation had failed, the President created an emergency board to investigate the dispute and report its findings. After extended hearings the Board reported to the President on October 29, 1938, " * * * that no horizontal reduction upon a national scale of wages of railway labor should be pressed by the carriers at this time."

But in disapproving the carriers' demands for a wage reduction the Emergency Board did not deny the relevance of the principle of ability to pay. It said that " * * * dollars are needed to pay wages, that capital requires at least a moderate return, and that in an industry such as the railroads, indirect taxation of the public through tariffs and charges through subsidies and grants has its practical limitations."

But the Board recognized a dual aspect of the ability-to-pay principle even when applied to the industry as a whole—a long-run and a short-run aspect. While acknowledging that in the long-run railroads, like other industries, must make money if they are to provide workers with rising living standards and the public with adequate services, it also noted that sudden crises of short duration frequently overtake industries. Under a private enterprise economy, it concluded that normally the shock of these crises must be absorbed by the owners of industry, not by the wage structure. It found that the downward trend in railway traffic had already been reversed, and that, while carloadings were still below the 1937 level, substantial increases in carloadings might reasonably be anticipated. It concluded that if these hopes were not realized, "* * * the inability of the roads to pay would turn from a short-time to a long-time aspect, and avenues of relief through wage reductions would have to be explored."

In the intervening years, the Board's anticipations have been more than realized. With the coming of the World War II the railroads of the country entered upon a period of unprecedented prosperity, which, with minor ups and downs, has continued until today. Since the 1938 proceedings all railway wage movements, with a single exception, have been initiated by the employees, who have appropriately insisted not merely on wage increases which would permit them to maintain their customary living standards, but which would permit them to enjoy the higher living standards, the increased leisure, and the improved working conditions that a prosperous economy makes possible.

With the railroads of the country generally prosperous, emergency boards, confronted by employee demands for higher wages, have given more attention to problems of price stabilization, production and employment trends, relative wage rates, cost of living, and other factors bearing upon the welfare of the workers, and less attention to the principle of ability to pay. But they have not ignored this principle entirely. Some have given more, some have given less attention to it. The Morse Board in its 1941 proceedings, giving perhaps too great consideration to it, recommended only temporary wage increases with no increases in basic wage rates. The Sharfman Board, in its supplementary report to the President on May 29, 1943, recognized that the "financial condition of the railroads has a bearing on wage policy," but did not regard it as "the critical and determining factor." Operating as it was within the framework of the war stabilization program, the Sharfman Board appropriately gave only incidental consideration to ability to pay, except of course to the extent to which wage increases might affect the freight rate structure.

The Leiserson Board, out of whose recommendations the disputes before this Board have grown, carefully considered the financial ability of the railroad industry as a whole to meet the cost of the 40-hour week. It could scarcely have avoided doing so, because a major contention of the carriers was that the "* * * imposition of any type of reduced workweek is economically and practically unfeasible under present conditions." Apparently because of the magnitude of the cost which the Board thought the 40-hour week would involve, it recommended a smaller wage increase than it believed the employees otherwise entitled to. As the Board put it: "If it were not for the cost of changing to a 40-hour week, the Board finds that on the pattern of third-round increases the nonoperating employees would be entitled to an increase of 10 to 13 cents."

Clearly emergency boards have consistently regarded the ability-to-pay principle as one important factor in considering general wage movements, whether initiated by the carriers or by railway employees.

ABILITY-TO-PAY PRINCIPLE APPLIED TO INDIVIDUAL CARRIERS

But does it follow that because emergency boards cannot ignore the principle of ability to pay in considering wage movements applicable to the industry as a whole, they should apply the principle on a carrier-by-carrier basis, giving particular attention to the financial position of each carrier in disposing of wage disputes that come before them? Insofar as a national wage movement is concerned—participated in by many carriers, voluntarily associated to consider jointly their employees' wage demands or to initiate wage demands of their own, and by employees who have similarly associated themselves on a regional or national basis—to raise the question is to answer it. It is hardly feasible for an emergency board handling a general wage movement to divide the carriers of the country into sheep and goats, the prosperous and the poverty-stricken, and to apply to the one a designated wage rate and to the other, another rate. Emergency boards handling national wage movements have neither the facilities nor the time to analyze adequately the financial status of each of the carriers of the country, and would find it hard to develop a proper standard for separating the sheep from the goats even if they had. No doubt they would find more than the two species if they made such an analysis. To handle general wage movements in this way would eventually create an intolerable confusion in the railroad wage structure and intolerable inequities among employees because some chanced to be employed by rich carriers and some by poor.

But the problem before this Board is not that of analyzing the financial condition of each of the many carriers of the country to determine which can afford to raise wages and by how much. Our problem is simpler. This Board is called upon to consider whether or not the Leiserson Board's recommendations, accepted by virtually all the carriers of the country, should be adopted by the remaining carriers who were not before the Leiserson Board and who contend that their circumstances make it inappropriate to apply the Leiserson Board's recommendations.

HISTORY OF CONCERTED ACTION IN NATIONAL WAGE MOVEMENTS

It will be helpful in answering this question to examine briefly the history of concerted action in negotiating wage and working conditions and the policies and principles laid down by emergency boards with respect to joint handling of wage disputes and the uniform application of wage changes growing out of them.

Before World War I, the four large train and engine brotherhoods had begun to cooperate in making wage demands on carriers. Such a concerted movement generally involved joint filing by two or more of the brotherhoods of identical wage demands with all of the carriers operating in one of three major railroad territories. Concerted action strengthened the bargaining power of the employees and tended to stabilize and standardize wage schedules on a regional basis.

Federal control during World War I brought a national handling of railroad labor questions. Following the war, the Railroad Labor Board, established under the Transportation Act of 1920, continued the practice of handling labor questions on a national basis. With their growing distrust of the Railroad Labor Board after its decisions ordering wage reductions in 1921 and 1922, railway employees generally resorted to direct negotiations with their employers in an effort to improve their economic lot. Usually, the operating employees negotiated on a regional basis; nonoperating employees on an individual carrier basis. When the parties could not agree they resorted to mediation and sometimes to arbitration. By these means the employees were able to regain a substantial part of the wage reductions made in 1921 and 1922 by the Railroad Labor Board.

As previously pointed out, the wage movement of 1932, initiated by the carriers and resulting in a 10-percent wage reduction, was a national movement involving the class I carriers of the country. So also was the 1937 movement which resulted in wage increase; and, likewise, the 1938 movement in which the carriers failed to achieve a wage reduction.

But the short-line carriers were not parties to these proceedings. Short-line carriers took part in national railroad wage negotiations for the first time in 1941; but not all of them participated even in the proceedings of that year.

Between 1938 and 1948 there were four major wage movements in the railroad industry national in scope. In none of these did all the short-line carriers join with the class I carriers. Some always chose to go it alone, insisting that their interests would inevitably be submerged in a joint proceeding with the trunk-line carriers. The issues in the several movements were not confined exclusively to wages. The 1941 movement, for example, began with a demand by the nonoperating employees for vacations with pay, but later wage demands became a part of it. However, all of the issues directly or indirectly affected operating costs and in each of the movements the principle of ability to pay was eventually raised with respect to particular carriers or particular groups of carriers.

The first of the post-1938 movements was initiated in 1941 by the nonoperating employees, represented by 14 cooperating railroad labor unions, and joined in by 5 operating brotherhoods. It culminated in the appointment of an emergency board in September 1941, known as the Morse Board. The second movement was initiated in the fall of 1942 by nonoperating employees and early in 1943 by the operating employees. The dispute involving the nonoperating employees culminated in the appointment of an emergency board in February 1943 (the Sharfman Board) and the dispute involving the operating employees culminated in the appointment of an emergency board in May 1943 (the second Stacy Board).

The third movement has a more complex history. It was initiated by all the railway labor organizations in 1945. The dispute involving nonoperating employees represented by 15 cooperating labor organizations was submitted to an arbitration board which awarded a 16-cent hourly wage increase effective January 1, 1946. Under the arbitration agreement the employees were free to institute further proceedings and they immediately issued notices demanding an additional 14-cent increase. The parties to the dispute involving three of the operating brotherhoods also accepted arbitration, and this arbitration board also awarded a wage increase of 16 cents an hour effective January 1, 1946.

These employees refused to accept the Emergency Board's recommendations and a strike was called on all roads on which disputes were pending. On May 17, 1946, the Federal Government took over the roads. Further negotiations between the carriers on the one hand and the 15 cooperating unions representing the nonoperating employees and the 5 brotherhoods representing the operating employees on the other, brought an additional wage increase of 2½ cents an hour which was granted to all workers effective May 22, 1946. The 1947 national wage movement, initiated by the nonoperating employees, was eventually disposed of by an arbitration board which granted a 15½-cent hourly wage increase to all employees represented before it.

While all these movements were national in scope, not all railroads participated in them, and some carriers rejected the settlements finally agreed to by the participating carriers.

Generally the short-line carriers have been reluctant to take part in national proceedings, contending that their wage scales, rules of service, employment conditions, physical operations, and financial conditions differ from those of the class I carriers, and believing that their interests are submerged in proceedings dominated by the larger railroads.

Eighteen short-line carriers appearing before the Morse Board in 1941 had not taken part in the national conferences and presented uncontradicted evidence to show that their operations differed greatly from the class I carriers. The Morse Board concluded that labor conditions on the short lines differed "in essential features from those on the trunk lines" and among the several short lines. While it recommended a permanent minimum wage of 40 cents an hour for workers on short lines, it also recommended that wage increases above the minimum be determined through negotiation between the parties, or if necessary through mediation, arbitration, or the findings of an emergency board. It proposed temporary wage increase of 7½ percent for the operating employees of class I Carriers and an increase of 9 cents an hour for the nonoperating employees. The increases were to be temporary, becoming effective September 1, 1941, and terminating on December 1, 1942. The employees refused to accept the Morse Board's recommendation. In later mediation, the Board persuaded the parties to make permanent the originally recommended increases and to grant a small additional increase effective December 1, 1941.

In its mediation proceedings, as in its original proceedings, the Board exempted from the settlement the short-line carriers that had not been represented by the Carriers' Conference Committee or joined in the national handling of their dispute.

Eventually the controversy between eight of these short-line carriers and their employees came before an emergency board of which Walter P. Stacy was chairman (the first Stacy Board). That Board reported to the President on September 14, 1942, recommending that the short-line carriers, despite the precarious financial condition of some of them, grant the same wage increases that the class I carriers and most of the short-line carriers had already made. But it did not ignore entirely the principle of ability to pay in so doing. In disposing of this issue it stated: "The financial statements of the carriers involved clearly indicate that the carriers concerned, with few exceptions, can meet the wage increases requested without serious embarrassment." Although insisting that the short-line carriers make the same increases that the class I carriers had made, the Board recognized that the short lines would be seriously embarrassed if required to make the rate effective on September 1, 1941, the date at which the increase recommended by the Morse Board in its original findings was put into effect. It accordingly recommended that the carriers before it make the increases effective December 1, 1941, the effective date of the additional increases agreed to by the parties in the Morse Board's mediation proceedings. It also recommended that the carriers, if they chose to do so, meet the back payments in six installments, payable monthly beginning November 1, 1942.

Neither the Sharfman Board in handling the 1943 wage dispute involving nonoperating employees nor the second Stacy Board in handling the wage dispute involving the operating employees followed the precedent of the Morse Board in making separate recommendations for certain of the short-line carriers that had not taken part in the national movement.

In treating short lines in the same way that it treated carriers in general, the Sharfman Board recognized that a wage increase would only narrow slightly the wage differential which the short-line carriers already enjoyed. It also noted that most of the short lines claiming inability to pay were either owned by more prosperous railways or industrial corporations and concluded that the wages of their employees ought not to be determined by the separate financial position of the railway in question. The Board thought that the continued operation of only two of the separately represented carriers before it would be endangered by the wage increase recommended. Both of them were class I railroads. The Board concluded that:

> But irrespective of all these considerations the Board feels that the financial condition of individual carriers is immaterial to the issues in this case. Regardless of the question of the amount of weight to be given in a wage dispute, to the financial condition of the railroad industry as a whole, this Board does not believe that the precarious financial position of any particular carrier is a reason for requiring that its employees be paid less than the employees of other carriers that are in other respects similarly situated. The employees do not share in the interest and dividends paid by successful enterprises and should not be called upon to share their losses. Receivers and trustees in bankruptcy must pay the going rate for coal and other supplies; human beings should certainly not be treated less favorably.

As did the Sharfman Board, the second Stacy Board, considering the wage demands of the operating employees, had before it a number of short-line carriers that had not taken part in the national movement. Counsel for these carriers analyzed the special conditions which he argued warranted separate treatment for them, laying great emphasis upon their financial inability to meet the cost of an increase in wages which might be awarded the employees of those carriers that had chosen to join in the national wage movement.

The Stacy Board gave "particular and separate attention" to each of the short-line roads which requested such consideration, and in doing so it recognized that the operating problems and financial difficulties of the roads varied widely. But while giving special consideration to the problems of the short-line carriers it did not give them special treatment. To do so, it concluded, would be to stress the plea of inability to pay unduly and would "discount entirely the general similarities in working conditions which exist on both the large and small railroads." It said:

> Particularly at this time, in the midst of war prosperity and in face of high living costs, inability to pay reasonable wages can have no appreciable effect on the outcome. To the extent that there may be measurable differences in operating conditions between the large and small carriers, it may be observed that such differences are reflected in the lower wage rates which prevail on many short-line roads. The wage differentials which they are now enjoying are as favorable as the short-line carriers can reasonably expect, and the Board, on the record before it, is not disposed either to narrow or to enlarge these differentials.

Later emergency boards, considering particular problems of the short lines which have not joined in national wage movements, have refused to follow the precedents created by the Sharfman and Stacy Boards. Of these several boards, the Mitchell Board, which reported to the President on June 24, 1943, a month after the Sharfman Board made its report, considered carefully the principle laid down by the Sharfman Board. The main issue before the Mitchell Board was the refusal of certain carriers to put into effect either the wage increases made generally by carriers in 1937 or the increases agreed to by the class I carriers in the mediation proceedings before the Morse Board in 1941–42, or both. After a detailed analysis of the principles involved, the Mitchell Board stated: "Accordingly, in reviewing the facts in connection with these cases, we do consider those bearing on ability of the carrier to grant the wage increases and back pay requested." Having considered them, it proposed differential treatment for the carriers before it.

In doing so it stated:

> This Board in expressing its views, which are in many detailed respects contrary to those contended for by the employee organizations, seeks to clarify an issue of critical importance in this case. We offer no brief for excusing individual carriers, without exceptional reasons therefor, of their responsibility to pay proper "going rates" to their employees. We believe that on a road where the qualifications and other conditions justify standard rates, and the road because of chronic financial difficulty cannot continue, it should cease operations; or if the public interest required its continued operation, a way should be found to provide the necessary funds so as not to penalize the employees. But we also hold that in cases where financial conditions prevent the payment of standard rates and other conditions warrant wages below standard and where workers prefer employment, temporarily or otherwise, under those conditions the lower rates should be allowable. Moreover, we hold that even in cases where standard rates should be paid, temporary concessions by the employees, as well as by other groups interested in the enterprise, may be justified in order to keep alive the source of their livelihood and to maintain an essential service in times of adversity.

Encouraged perhaps by the policy laid down by the Mitchell Board and contending that their financial and operating conditions created special problems, some short-line carriers have continued to stay out of the national wage movements. Some did not join with the class I carriers in either the 1946 or the 1947 movement. And some, refusing to apply the wage increases agreed to by other carriers, eventually appeared before emergency boards which investigated the disputes on their properties.

The basic issue before the Wolfe Board, which reported to the President on December 4, 1946, was identical with the basic issue before this Board. The Wolfe Board was created to investigate disputes on the short-line carriers which had neither taken part in the 1946 wage movement nor applied the wage increases which grew out of it. Three hundred and eighty-nine carriers, 207 of which had been represented by the carriers' conference committees and 182 of which had later adhered to the agreement, had established a "national pattern" for a wage increase. The Wolfe Board stated the basic issue before it as follows:

> Should the "national pattern" be put into effect as to such employees represented by the nonoperating labor organizations on the 20 roads which have not adhered to the said agreements and which are now before this Board regardless of the question of their ability to pay? Or should the conditions on each carrier before this Board be considered and the recommendations be made according to the said conditions?

The Board concluded that under the executive order creating it (the order provided that each carrier involved "shall be given independent consideration") it was obligated to apply the ability-to-pay principle to each carrier before it. In doing so, it concluded that some were able to make the wage increases granted by carriers generally, and some were not. In reaching this decision, the Board reasoned that the national pattern should be applied—

> * * * to all employees unless the circumstances in which a road finds itself are so precarious as to in all likelihood result in a cessation of operations because financially it is unable to meet such obligations to its employees and further that if the employees do make the sacrifice there is a fair chance of its survival so its employees may continue to be given employment. We think such roads should furnish complete information fully to apprise the employees of the facts as they exist. Based upon these facts, a road and its employees should be afforded an opportunity to bargain. If, after bargaining, they are able to arrive at a determination of the increases to be paid, that should settle the dispute even though the amount agreed upon be an exception to the national pattern.

Applying this doctrine, the Board found that 14 of the carriers before it should subscribe to the national pattern. It found that six were unable to do so. Because it also found that on these properties the parties had not bargained collectively on the issues, it remanded the cases to the parties for settlement through negotiation.

The Lewis Board, which reported to the President on January 28, 1948, was created to determine whether or not a 15½-cent wage increase awarded by an arbitration board in 1947 to the employees represented by 17 cooperating railway labor organizations should be applied to the employees of 17 short-line carriers that had not taken part in the national proceedings. Here again the basic issue was identical with the basic issues before this Board. Three hundred and twenty-nine of a total of 346 carriers, employing over 99½ percent of all the employees represented by the cooperating labor groups, had agreed to a wage increase, retroactive to September 1, 1947. The issue before the Lewis Board was: Should the carriers before it subscribe to the national pattern? The Lewis Board chose to differentiate between those who should and those who should not. It recommended that 13 of the 17 carriers before it should conform to the national pattern; it recommended variations from the national pattern for four carriers, largely because of their financial difficulties.

This review of the history of wage movements in the railroad industry reveals that in national wage movements some, though by no means all, of the short-line railways have refrained from joining with class I carriers in wage negotiations. Some have signed so-called "standby agreements" on the property, binding themselves to conform to the national pattern when it became established. Others, believing that their operations create special problems, have refused both to participate in national movements and to abide by their outcome. All emergency boards handling the special problem of short-line railroads as a group, except the Sharfman and Stacy Boards, have concluded that these carriers have properly refrained from participation in the national movement and after considering their special problems have granted some of the carriers special treatment.

This Board, of course, is not necessarily bound by precedents, but it should have good reasons for departing from them. In view of the history of concerted action by the carriers and the brotherhoods in negotiating wage changes, in view of the policy laid down by most emergency boards confronted with the issue of separate treatment, and in view of the language of the executive order creating this Board, which provides that "Each of the carriers involved shall be given independent consideration * * *", this Board concludes that it has no alternative but to consider each carrier separately and, in doing so, to give appropriate weight to the principle of ability to pay along with all other relevant factors.

Carriers who believe that they are financially unable to meet wage demands and who also believe that their claims will exert little or no influence in a joint proceeding with other carriers, will lose confidence in governmental processes if they are given no separate opportunity to state their case. Moreover, if they believe they have a case but are not given a fair opportunity to present it, they may be reluctant to accept the findings of emergency boards. This will neither contribute to industrial peace nor guarantee to employees the wage adjustments which they think they deserve.

But while this Board concludes that it cannot ignore a carrier's plea of poverty, it also recognizes that the plea must be compelling if it is to justify treatment different from that accorded carriers generally. Indiscriminate application of the ability-to-pay principle would encourage carriers obstinately to refuse to participate in a national movement or to accept its outcome. Certainly no public or private interest will be served if recalcitrance is stimulated by hope of some special advantage.

Aware, then, of its responsibilities to employees, to employers, and to the public, and starting from the principle that the national pattern as recommended by the Leiserson Board should uniformly apply unless compelling reasons indicate otherwise, the Board makes the following findings and recommendations regarding the disputes on the indicated properties.

ATLANTIC & EAST CAROLINA RAILWAY CO.

The Atlantic & East Carolina Railway Co. came into existence as a corporation on September 1, 1939, when as lessee it took over the physical assets of the Atlantic & North Carolina Railroad. Seventy-two percent of the outstanding stock of the lessor corporation is owned by the State of North Carolina.

The capital stock of this carrier was purchased and is now held in approximately equal amounts by three principal stockholder family groups. Their total capital contributions have been $29,300. As of June 30, 1950, the corporation had an earned surplus of $185,330, making the present worth of the original stock $214,630. There are no outstanding bonds.

Since the corporation began operations it has expended in capital improvements on the property more than $975,000. Approximately $200,000 of this amount first came from the proceeds of a loan from the State of North Carolina in 1942. The corporation has repaid from earnings all but $28,000 of this loan.

In June 1943 the corporation received from the United States Navy Department a loan of $440,000 for further capital improvements under a plan which provided that the loan would bear no interest and would be repaid from the proceeds of a $5 switching charge which the Navy authorized the carrier to add to regular freight charges each time a

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delivery was made to the former's Cherry Point Marine Base near the carrier's rails. Carrier's income derived from this charge has amounted to approximately $35,000 a year. It may be safely concluded that this loan will soon be repaid without expense to the carrier; it is in fact, as its president testified, "practically a donation."

At the same time (June of 1943) the Atlantic & North Carolina Railroad, the lessor corporation, which as indicated is owned principally by the State of North Carolina, loaned the carrier an additional $200,000 for capital improvements, and gave it $160,000 worth of salvaged rail and other material, the proceeds from the sale of which the carrier also expended in capital improvements. The carrier has since repaid this $200,000 from earnings.

At the present time the carrier's balance sheet shows long term debts outstanding totaling only $209,270. This presumably includes whatever is still owed to the United States Navy on its $440,000 loan, which as indicated will be automatically repaid from the extra switching charges made by the carrier against the Navy's Cherry Point Marine Base.

The carrier has a record of substantial earnings since the present corporation was organized. Its net income for the past 3 years is as follows: 1947, $9,617; 1948, $40,224; 1949, $20,927.

The evidence discloses that this carrier has maintained wage levels substantially below those of the lines with which it connects. Thus, for illustration, Atlantic & East Carolina passenger carmen in 1947 had weekly earnings $16.64 less than were received by similar employees of the Atlantic Coast Line Railroad. If the March 19, 1949, agreement were not to be applied here, as it has been on the Atlantic Coast Line, this unfavorable differential would increase to $19.44 per week. The full observance of the national pattern would not extinguish the differential. But it would at least preserve relationships that have become embedded in the present hourly wage rates.

This Board concludes that the carrier has failed to substantiate its contention that it should be excused from compliance with the terms of the March 19, 1949, agreement. We therefore recommend that the Atlantic & East Carolina Railway should agree to conform to the established national pattern.

BARRE & CHELSEA RAILROAD CO.

The Barre & Chelsea Railroad Co. has by unilateral action reduced its workweek from 48 hours to 44 hours without reduction of weekly earnings. But it has thus far declined to give effect to the March 19, 1949, agreement and has called for further negotiations on the property. The management has suggested that it would be willing to adopt the national pattern for the future, "but with no retroactive compensation at any time."

The employees' organizations presented evidence that the Barre & Chelsea Railroad Co. is owned in part by the Vermont Valley Railroad, which in turn is owned by the Boston & Maine Railroad. The latter is a party to the March 19, 1949, agreement. Two Barre quarriers and the Rock of Ages Co., largest producer of tombstones in the country, own the remainder of this road. The Barre & Chelsea Railroad is operated as an adjunct to its owners' quarrying operations.

The carrier presented no evidence showing why the full terms of the March 19, 1949, agreement should not be applied to its employees. It is our recommendation that this carrier enter into a written agreement with the employees' organization in conformity with the March 19, 1949, agreement, including the retroactive features thereof.

BELFAST & MOOSEHEAD LAKE RAILROAD CO.

No appearance was made and no evidence presented on behalf of the Belfast & Moosehead Lake Railroad Co.

The employees' organizations presented evidence that it is owned by the city of Belfast, Maine, is in sound financial condition, and is operating at a profit. Its net income for 1947, 1948, and 1949, respectively, is $32,662, $10,593, and $10,205. This carrier recently purchased on terms two large Diesel locomotives and later satisfied 90 percent of its indebtedness several years in advance of the requirements of the purchase contract. At the end of 1949 it had an unappropriated earned surplus of $159,608.

The carrier presented no evidence showing why the full terms of the March 19, 1949, agreement should not be applied to its employees. It is our recommendation that the carrier enter into a written agreement with the employees' organization in conformity with the March 19, 1949, agreement. We note that on November 1, 1948, by unilateral action apparently unrelated to the national wage movement then in prospect, this carrier granted its employees a general wage increase of 10 percent. The adjustment thus made should be credited against the obligations imposed by conformity with the national pattern.

CHICAGO, AURORA & ELGIN RAILWAY CO.

The Chicago, Aurora & Elgin Railway Co.'s main business is transporting passengers between Chicago, Ill., and many suburban towns within 50 miles west of Chicago. Freight traffic yields only about 8 percent of its operating revenues and it owns no freight cars. It is an electric railway. Before it went into receivership in 1932 it was a part of the Insull public utility empire. It was reorganized under the Bankruptcy Act in 1944 and operated by a trustee until September 1949. In the reorganization its bonded indebtedness was wiped out, and today its capital liabilities are exclusively to its stockholders. Its present management, chosen by its stockholders, took control in December 1949.

Although two steam railways serve a part of the same area, its operation is important if not essential to the many suburbanites who rely upon its frequent and convenient train schedule. From Monday through Friday it operates 263 trains which carry from 22,000 to 25,000 people daily. On Saturdays it carries about 12,000 passengers and on Sundays and holidays from 8,300 to 8,800. So dependent on it are its suburban commuters that during a recent strike for higher wages by some of its employees, commuters joined the carrier in petitioning the Illinois Commerce Commission for higher fares to help it meet its employees' demands.

Of its 552 employees, 95 are involved in the dispute before this Board. Eight of these are towermen represented by the Order of Railroad Telegraphers; 8 are electricians represented by the Brotherhood of Railroad Signalmen; and 79 are clerks and station employees represented by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees. Of the latter group, 44 are office workers who are hired on a monthly basis.

The carrier has already granted to all of its employees the 7-cent-an-hour wage increase provided in the March 19, 1949, agreement, and except as to the way in which it was applied to its office clerks hired on a monthly basis, this matter is not in dispute. The main issue in controversy is the reduction in the workweek with no reduction in pay.

The carrier offers two reasons for not making the hour adjustments: (1) It cannot afford it; (2) most of its employees recognize its inability to meet the full demands of the March 19, 1949, agreement and those represented by labor organizations not before this Board (Brotherhood of Railroad Trainmen, Brotherhood of Locomotive Firemen and Enginemen, and Amalgamated Association of Street, Electric Railways and Motor Coach Employees) have accepted another and less costly adjustment.

To support its plea of inability, the carrier points out that it has operated in the red every year except one, since 1940. Its losses have ranged from $45,000 in 1945 to $301,645 in 1949. It argues that to grant the employees' request will force it again into bankruptcy, but that a receivership promises no relief because it now has no fixed or contingent charges that can be written off. It argues also that a further increase in fares, even if authorized, would afford no relief because of competitive factors.

It alleges that its closely associated, compact group of employees necessitates treating them all alike, and that to make the adjustments demanded by the brotherhoods before this Board would cost it $192,954 a year.

In defending its contention that most of its employees recognize its inability to meet the cost of a 40-hour week, it points to a wage offer which it made to all of its employees after its employees represented by the labor organizations before this Board had made their demands for the 40-hour week. This was an offer of a 13-cent hourly wage increase in addition to the 7-cent increase the carrier had already made, with a choice of either a 40-hour or a 48-hour week at the higher wage rate. The employees represented by the Brotherhood of Railroad Trainmen, by the Brotherhood of Locomotive Firemen and Enginemen, and by the Amalgamated Association chose the 48-hour week. In further support of its contention the carrier presented in evidence a petition signed by 59 of its clerical and station employees, reputedly represented by the brotherhoods before this Board, petitioning the Amalgamated Association for membership and for representation through it in negotiations on wages and hours. We may note in passing that this petition has not as yet been acted upon in any quarter, and that the carrier raises no jurisdictional or representation question in the present proceedings.

This Board does not find that the evidence presented by the carrier establishes its claim of inability to meet the cost of a 40-hour week for the employees represented before this Board. While the carrier's net operating income has been in the red every year except one since 1940, its nonoperating income has generally more than compensated for these losses and it has shown a net income in 7 of the last 10 years. The carrier contends that its major source of nonoperating income will dry up in 1956. But meanwhile, its operating revenues may show a turn for the better. This is conjecture, of course, but the Board is confronted with the carrier's situation in 1950, not 1956. The situation as it now exists does not look as bad to the Board as it does to the carrier. Its financial position is apparently far better than that of many carriers that have accepted the March 19, 1949, agreement.

Moreover, the Board believes that the carrier's estimate of the cost of inaugurating the 40-hour week is much too high. In the first place, it allows for no economies in shifting from a 48- to a 40-hour week. The carrier contends that in some instances no economies could be realized; but, if the experience of other carriers is only partially duplicated, these economies would be substantial. In the second place, it ignores the fact that the 44 office clerks are now on a monthly basis and that if the 7-cent hourly raise already granted them has been applied, as the carrier asserts, in accordance with the March 19, 1949, agreement, it will cost the carrier nothing to make the adjustment for these clerks. In the third place, the carrier's estimate of $192,954 as the total annual cost of going to a 40-hour week includes an estimated cost of $45,727 for employees represented by the Brotherhood of Railroad Trainmen; $30,854 for employees represented by the Brotherhood of Locomotive Firemen and Enginemen; and $78,228 for employees represented by the Amalgamated Association of Street, Electric Railway and Motor Coach Employees. Of these three groups only the last has at any time demanded the 40-hour week, and all three groups, when offered their choice of a wage increase applicable to either a 40- or a 48-hour week, chose the latter. The Board cannot pass on the propriety of settlements not before it, nor on the sort of demands that may in the indeterminate future originate with groups with which the carrier at present has no dispute.

For the reasons discussed above, we believe that the carrier's estimate of approximately $38,000 as the annual cost of agreeing with its employees whose dispute is before this Board is a gross overestimate. On the facts before it, the Board concludes that the carrier's financial position does not justify it in refusing to adopt the March 19, 1949, agreement to which practically all the carriers of the country have subscribed.

CHICAGO, SOUTH SHORE & SOUTH BEND RAILROAD

The Chicago, South Shore & South Bend Railroad operates between Chicago, Ill., and South Bend, Ind. It has applied the terms of the March 19, 1949, agreement to all its employees except some 40 fountain-luncheonette attendants. This group works on a 48-hour week schedule. It is represented by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees.

As to this small group of workers, the carrier has already granted the hourly increase of 7 cents as contemplated by the March 19, 1949, agreement. It contends, however, that it cannot reduce the hours of work while maintaining the level of employee earnings, as required by the national agreement. If it were to do so, the carrier maintains, its refreshment counters would operate at a net loss. Moreover, since its competitors do not maintain comparably high wage rates, the carrier believes that its competitive disadvantages would compel it either to close or lease its lunch-counter facilities.

While the carrier and the brotherhood have executed a separate contract covering the luncheonette employees, differentiating them from other groups represented by the brotherhood, it is perhaps significant that all previous national wage movements initiated by the cooperating railway labor organizations have been applied by the carrier to this group of "concession employees." Only the adjustments resulting from reduction of the workweek have been challenged.

So far as is shown in the evidence before this board, the March 19, 1949, agreement has elsewhere been uniformly extended by carriers to their station restaurant and counter employees who are comparable with the group now involved. The brotherhood represents employees of this type at stations in Seattle and St. Paul. In both instances the employing carriers—the Northern Pacific and Great Northern Railroads in Seattle, the St. Paul Union Depot Co. (owned by eight carriers) in St. Paul—have made the March 19, 1949, agreement operative in full. Similarly, "concession employees" represented on various railroads by the Hotel and Restaurant Employees' and Bartenders' International Union have benefited from the national agreement without deviation. In the face of this demonstration of general industry practice, we cannot say as an abstraction that the brotherhood's demands in this instance are arbitrary.

The Chicago, South Shore & South Bend Railroad is not impoverished. Its net income for the past 3 years was as follows: 1947, $430,234; 1948, $436,308; 1949, $283,518. The cost of effectuating the 1949 agreement in the respects it now remains unfilled would be only $8,000 per year. Hence it is clear that inability to pay is not a major factor in the case.

The carrier argues, however, that the additional costs might cause its commissary department to operate at a loss. We do not understand that each one of the many operations of a carrier must be able to show profits. It is the aggregate of its services that determines whether a carrier adequately meets the public's needs; and it is the aggregate of its revenues that determines whether a carrier's operations are profitable. The station luncheonettes are maintained by this carrier at least in part for the convenience of its passengers. Even if an operation maintained for that purpose were not to be an immediate source of net income, we see no reason why the carrier should withhold from its concession workers the benefits and compensation paid to similarly situated railroad employees throughout the country.

Accordingly, we recommend that the March 19, 1949, agreement be made applicable according to its terms with respect to all the employees of this carrier.

COLUMBUS & GREENVILLE RAILWAY CO.

The Columbus & Greenville Railway Co. is a class I railway engaged in highly profitable operations within the State of Mississippi. On September 17, 1949, it agreed with its employees' representatives to give effect to the provisions of the March 19, 1949, national agreement. But no conclusion was then reached as to whether the hourly increase of 7 cents should be granted retroactively for the period between October 1, 1948, and September 1, 1949, when the local agreement became operative. This issue was preserved by a contractual stipulation that "Any claim for back time prior to September 1, 1949, under employees' proposal will remain open subject to further negotiation."

The carrier did not appear before this Board, either at the outset of the proceedings or in response to the Board's telegraphed invitation to do so at a later stage. Instead the carrier's president telegraphed the Board, urging that it withhold any recommendation bearing upon this controversy because, allegedly, the employees' representatives had failed to negotiate concerning the unsettled issues.

The vice president of the Brotherhood of Railway and Steamship Clerks who negotiated the September 17, 1949, agreement with this carrier was a witness before this Board. He testified persuasively that further local conferences about retroactivity would have been fruitless, since the carrier's president had adamantly refused to consider an earlier effective date than September 1, 1949. Because of their conviction that unaided negotiations would be of no avail, the employees' organizations requested the National Mediation Board to assist in efforts to dispose of the remaining disagreement. This the National Mediation Board sought to do by inviting the carrier to attend mediation conferences in Washington, D. C. The carrier declined to avail itself of the proffered mediation, saying that there was no dispute to be resolved.

Without the benefit of any countervailing testimony on behalf of the carrier we are unable to find that there has been a failure upon the part of the employees to press their demands according to the orderly processes of the National Railway Labor Act.

The carrier's only stated ground of resistance to the national pattern is the asserted failure to negotiate. We therefore recommend that the Columbus & Greenville Railway Co. agree to comply in full with the provisions of the March 19, 1949, agreement, including its retroactive feature.

COPPER RANGE RAILROAD CO.

The Copper Range Railroad Co. operates in the so-called copper country of Michigan, in the counties of Ontonagon, Houghton, and

Keweenaw. Only its 42 maintenance-of-way employees are involved in the present controversy. The company has rejected the demand of the Brotherhood of Maintenance of Way Employees that the national pattern be observed. It rests its refusal on two grounds: First, on its alleged inability to pay and, second, on the fact that it has entered into a variant agreement with a different labor organization. We believe that neither of the company's objections is well founded.

The Copper Range Railroad Co. is largely owned by the Copper Range Co., a prosperous corporation engaged in mining, concentrating, and fabricating copper. If the railroad operation were unsuccessful, we might well be warranted in concluding that the wealthy owner of the subsidiary property could and should provide whatever resources might be required. In this instance, however, we need not explore the implications of intercorporate relations, because we find that the Copper Range Railroad is itself fully able to bear the costs of conformity to proper labor standards.

During the 10-year period commencing 1940 the company has earned net income in all but 3 years. Since 1947 it has substantially modernized its operations. Having expended $200,000 in cash for Diesel locomotives, it still has on hand at the present time $275,000 in cash assets. Its current assets total $411,098.42 as against current liabilities of only $81,221.94, a ratio of somewhat more than five to one; this may be contrasted with the current ratio of class I carriers, which is rather less than three to one. Its current assets equal more than 80 percent of its gross annual revenue, again a position far more favorable than that generally obtaining in the railroad industry. During the years 1949 and 1950 the carrier paid out to its preferred stockholders dividends totaling $44,237, a sum larger than the $41,000 that would be needed to give full retroactive effect to the March 19, 1949, agreement.

As against these indications of financial strength the carrier offers evidence that the outlook for the future is unpromising. Most of the tonnage carried over the Copper Range Railroad consists of copper and forest products. The natural resources of the copper country are being rapidly depleted, and declining traffic may therefore be anticipated.

This Board does not minimize the economic problems that may follow the destruction of forests and the abandonment of mines. We cannot, however, safely cast ourselves in the role of prophets. For all that is now known, the extraction of low-grade copper ores may again become profitable. Other sources of traffic, now unforeseen, may develop. It is our function, we believe, to deal with immediate realities rather than with forebodings about the future. In the light of the known circumstances of the present, we find no basis for sustaining the Copper Range Railroad's plea for exemption on the ground of crippling poverty.

The second contention of the carrier is that it has already settled its controversy with a labor organization representing others of its employees, and that this settlement should be accepted as well by the Brotherhood of Maintenance of Way Employees.

A union affiliated with the C. I. O. and not one of the standard railway labor organizations represents the company's station, office, and shop employees, numbering in the aggregate approximately the same as the maintenance of way crews now involved. These employees have accepted a contract offered by the carrier, the precise terms of which need not be here described. It suffices to say that the proposal found acceptable by the C. I. O. carries with it substantially fewer benefits than are provided by the pattern embodied in the March 19, 1949, agreement.

In our judgment, the Brotherhood of Maintenance of Way Employees is in no sense compromised by the carrier's agreement with an entirely unrelated labor union representing different classes of employees. The company contends that if the brotherhood achieves a more favorable contract than has already been entered into with the C. I. O. union, the latter will quickly demand a parity of treatment. Since we are not fully informed concerning the contractual obligations of the carrier and the C. I. O., we cannot comment at length concerning the likelihood of this development. In any event, we believe it to be our responsibility to inquire into the merits of the only controversy before us, namely, the controversy between the company and the Brotherhood of Maintenance of Way Employees. We would be led far from that task if we were to seek now to chart the possible course of labor relations negotiations with a union that is not a party to this proceeding and that, so far as we know, has no pending demands against this carrier.

A final word may be said concerning the expense of complying with the terms of the national pattern. The carrier estimates that full application of the March 19, 1949, agreement would cost it $27,000 annually. The estimate seems to us to be excessive. As earlier discussion has shown, conversion from the 48- to the 40-hour workweek has caused little if any rise in carriers' labor costs. We think that the expense of conformity is likely to be a great deal less than the $27,000 the company fears.

We recommend that the March 19, 1949, agreement be made fully effective according to its terms, as to the maintenance of way employees who are parties to this proceeding.

DENVER UNION STOCK YARD CO.

The Denver Union Stock Yard Co. is an independent Colorado corporation. It is not linked with any railroad company by stock ownership or other instrument of control.

The Denver Stock Yard's gross revenue in 1949 was $1,841,213.73, chiefly derived from yardage, marketing, and commission charges and from feed sales. Only $117,069.67—less than 7 percent of its income—was earned as charges for loading and unloading rail shipments of livestock.

Yet, it is this small and steadily shrinking segment of its business that gives the company its status as a carrier subject to the provisions of the Interstate Commerce Act and the Railway Labor Act. In 1941 the Interstate Commerce Commission held, 245 I. C. C. 241, that a transportation service was performed by the Denver Stock Yard when it helped line-haul carriers discharge their duty of loading and unloading cars at terminal markets. Only in that respect does the Denver Stock Yard participate in the transportation business.[1]

For this limited participation the company receives an agreed compensation from the line-haul carriers whose cars are involved, rather than from the shippers whose property is being carried. Its charges have not been affected by the general rate increases the Interstate Commerce Commission has allowed the railroads. Moreover, the bulk of its business, involving the furnishing of a market place and facilities for livestock buyers and sellers, is entirely outside the jurisdiction of the Interstate Commerce Commission. Services of these types are subject to regulation by the Packers and Stockyards Administration of the Department of Agriculture rather than by any agency concerned with the Nation's transportation network.

Following the I. C. C.'s determination that the Denver Stock Yard was to be deemed a "carrier" for the limited reason just indicated, the Brotherhood of Railway and Steamship Clerks successfully sought recognition as the employees' bargaining representative. On August 1, 1942, it entered into an agreement with the company covering the terms and conditions of employment of all employees, whether or not their work was in any degree related to the transportation activities that had made the Stock Yard amenable to the Railway Labor Act. Thus, for example, the brotherhood and the company negotiated

[1] The Denver company owns 4.6 miles of railroad track within its stockyards area. This trackage, however, is leased to the using railroads on an interest, tax, and maintenance basis. The company does not itself own or operate cars or motive power. All labor expenses connected with maintenance of way are borne by the lessee railroads. The ownership of this small trackage had nothing to do with the Denver Stock Yard's being designated as a carrier; and the section laborers and foremen engaged in maintenance work on this property are not involved in the present controversy.

wages for such diverse groups as parking officers, blacksmiths, and hay-lift operators, who had no contact whatever with carrier functions. Indeed, no single work crew engages exclusively in loading and unloading cars; instead, that job is distributed among general yard employees who perform it interchangeably with their other duties. Carrier activities in the aggregate consume not more than 11 percent of the labor hours at the Denver Stock Yard.

This brief recital strongly suggests that the company is only nominally a part of the transportation industry. The activities that serve to identify the company as a "carrier" are merely incidental aspects of its main functions.

It would be unrealistic, therefore, to press this concern into a mold designed to fit a largely different type of business. To do so would be to overlook the experience of virtually all other stockyards in this country.

Today there are some 66 central market stockyards that provide, as does this company, a mechanism for livestock sales. They compete with local auction yards, of which there are some 200 in the Denver trade territory alone. In only three of this large group of stockyards has there been adoption and application of the March 19, 1949, agreement which has been found suitable as a pattern for the railroad industry as a whole. Those three yards, located in Buffalo, Detroit, and Pittsburgh, are wholly owned and operated by trunk-line carriers. While they do render market services, their volume of business is but a minor fraction of that done at Denver. They are primarily though not exclusively service yards, maintained by the carriers for the purpose of feeding, watering, and resting livestock in transit, as required by federal statutes. Hence they are much more intimately a unit of their owners' transportation business than is the Denver operation.

We have already observed that virtually all railroads have made the March 19, 1949, agreement operative; and this has seemed to us to warrant, in general, extension of the common pattern to the few railroads that have thus far rejected it. In the stockyards industry, on the other hand, exactly the converse situation exists. The yards that handle the great bulk of the livestock sold at central markets—for example, the yards at Chicago, Omaha, St. Louis, Kansas City, Fort Worth, and Los Angeles as well as the Denver company now under discussion—have been outside the established pattern, while only three minor yards at Buffalo, Detroit, and Pittsburgh are within it.

The employees have argued, however, that the Denver Stock Yard has for years applied to its own wage structure the changes growing out of national movements in railroads wages. This, it is contended, constitutes practical reognition that the general pattern should be transferred unqualifiedly to the stockyards employments covered by the brotherhood's contract.

We believe that the facts do not support the thesis. The first contract covering the company's employees became operative in 1942. At that time wage rates were closely negotiated for each of some 20 different classifications. The parties did not seek to prescribe rates by analogy to any schedule that already existed in the railroad industry. Nor did they allow the alteration of the wage structure to await some later Nation-wide negotiation. Rather, determinations were particularized and localized. Subsequently, commencing in the autumn of 1942 and continuing into 1943 and 1944, the brotherhood sought general wage increases for all the employees it represented throughout the country. An Emergency Board that had been appointed to examine the brotherhood's demands recommended in 1943 that the Denver Stock Yard should be exempted from the national movement then in prospect, because the 1942 agreement constituted a fresh and special settlement of the Denver employees' wage claims. Later, after local negotiations, the company in fact agreed to grant its employees an increase roughly equal to that obtained by railroad employees at that time. Neither as to amount nor as to effective date, however, was the Denver increase identical with the railroad pattern. In more recent movements as well there have been variations in detail between the Denver wage adjustments and those that have occurred generally on American railroads. For example, a flat increase granted to railroad employees in 1947 was selectively distributed among Denver stockyards employees, so that one group received less than the prevailing increase while others received more. Throughout this period there has been controversy as to whether or not the company should be bound by the settlements of national railroad labor disputes.

In our opinion the time has come to recognize explicitly that wage rates at the Denver Stock Yard should be related to industrial and local factors rather than exclusively to the circumstances of American railroads in general. Our further analysis of the case reflects that recognition.

Approximately 150 permanent employees are involved in this proceeding. In addition the company engages as many as 100 temporary employees at various times, assertedly under an agreement allowing it to hire peak-period workers at less than the contract wage rates. The common-labor rate now in effect is $1.09 per hour, with lower figures for three thinly populated job classifications and higher rates for all others. Since the $1.09 rate applies to perhaps one-half of the total labor force, our discussion will focus upon it for illustrative purposes.

If the employees' present demand were to be granted in full, the hourly wage rate for common labor would rise to $1.38. This may be contrasted with rates of $1.11 at the Chicago Stockyards, $1.09 at Omaha, $1.06 at Kansas City, and $1.02 at Fort Worth. Rates for packinghouse workers, with whom stockyards workers are often compared for wage-fixing purposes, were not extensively described during this Board's hearings, though the record contains references to a rate of $1.26 as having been recently established in some localities. In the light of these comparisons we do not regard the employees' demands as wholly justified.

On the other hand, we do not conclude that no change at all is warranted. We find much merit in the contention that the Denver Stock Yard should, like the balance of American industry, operate on a 5-day workweek, with overtime after 8 hours of work in any one day or 40 hours in any week. We believe, moreover, that reduction of the company's present 48-hour week should not be accompanied by loss of take-home pay. To avoid that result we recommend that the wage rates now in force in each classification be adjusted to reflect compression of the workweek. In the case of general yard labor the resulting hourly wage would be $1.31, an increase of 20 percent above the present rate. In the case of office workers, who by contract are employed on a 44-hour weekly schedule, the percentage of adjustment would be correspondingly less.

The rates when so adjusted appear at first glance to be substantially higher than those now paid by competing stockyards. It must be recalled, however, that from 1942 to 1948 the Denver rates markedly exceeded the wage levels of the other large central markets. The gap between them has recently been closed only because the Denver wage schedule has remained unmodified for 3 years during which other stockyards were making new labor agreements. Further, it is common knowledge that the wage rates of competitor stockyards are likely to be modified by current negotiations. In our estimation the seeming, disparity between the recommended Denver rates and those existing elsewhere may be largely discounted.

From the employees' point of view it may be argued that the wage rates, even when adjusted as now recommended, will fail to reflect an increase in living costs since the last previous Denver wage movement. The argument is not entirely without force. In this instance, however, a special circumstance diminishes the weight we might otherwise accord it.

In 1942 the Denver Stock Yard agreed with the brotherhood to change from a 40- to a 48-hour workweek. Simultaneously, the company agreed to give a general wage increase. Some portion of this increase may properly be deemed a "conversion allowance" to compensate employees for the loss of overtime premium payments they had previously received for work done after 40 hours in any one week. The parties do not now agree upon the extent to which the 1942 increase embodied such a conversion allowance. The brotherhood maintains that the figure should be set at no more than 2 cents, while the company has claimed as much as 12 cents for this factor. Sharply conflicting evidence renders precise computation impossible. Reconstructing the situation as best we can, we are inclined to think that between 4 and 5 cents of the 1942 wage increase was in fact intended to be a conversion allowance. At this time, in conjunction with reconversion to the 40-hour week, it would not be unreasonable to "credit" the company with this amount. If that were done, the rate upon reconverting to the shorter workweek would be only $1.26. We conclude, therefore, that the recommended hourly wage of $1.31 does in fact reflect at least a minor rate improvement in the nature of a cost of living increase.

There remains for consideration the extent to which retroactive effect should be given this adjustment. In our opinion, the recommended change should be made operative as of September 1, 1949. The brotherhood's demand for a 40-hour week was first served on the company on April 10, 1948. Before the end of that year an Emergency Board had investigated and had found that the demand was reasonable as a generality. In March of 1949 the mass of American railroads acquiesced in the plan to convert from a 48- to a 40-hour week, effective September 1, 1949. Even though, as we have found above, the Denver Stock Yard reasonably concluded that it need not automatically emulate whatever was done by the railroads, the company was not warranted in disregarding the mounting evidence that the 48-hour week was at an end. It bears emphasizing that the company's adoption of the 48-hour week in 1942 was a collateral outgrowth of its then recent identification as a "carrier." But for that status the company would have been subject to the hours limitations of the Fair Labor Standards Act of 1938. The lengthening of its workweek was legalized only by the fact that the company allied itself to and adopted the prevailing practice of the railroad industry in that particular. Having in this respect geared its conduct to that of the railroads, the company should not have ignored the mass abandonment on September 1, 1949, of the longer workweek to which it adhered.

In summary, then, we recommend:

(*a*) Effective September 1, 1949, the Denver Union Stock Yard Co. should reduce its workweek to 40 hours, consisting of 5 days of 8 hours each, with two consecutive days off in each seven;

(*b*) Earnings of all employees whose wages are prescribed by agreement between the company and the brotherhood should be adjusted in order to provide the same pay for 40 hours' work as had theretofore been earned during the regularly scheduled workweek of 44 hours or 48 hours as the case may be;

(*c*) Subsequent wage negotiations, as they may from time to time occur, should be conducted locally and in good faith, without sole dependence upon national wage movements applicable to the railroad transportation industry.

GALVESTON WHARVES

No appearance was made and no evidence was presented on behalf of the Galveston Wharves, which are owned by the city of Galveston, Tex., and operated by a board of trustees for its benefit.

The present dispute involves only a handful of maintenance-of-way workers and two yardmasters. The carrier is in a strong financial position. Its net earnings for 1947, 1948, and 1949 were respectively: \$2,052,991, \$2,388,062, and \$2,212,083. There is nothing on the face of the record that would warrant the Galveston Wharves departing from the nationally established pattern.

In truth, the carrier has already fully applied the substance of the March 19, 1949, agreement to its maintenance-of-way men. The problem in that respect is merely that the carrier has thus far not embodied its obligations in a written contract. As the Supreme Court held in *H. J. Heinz Co.* v. *National Labor Relations Board*, 311 U. S. 514, and in *Order of Railroad Telegraphers* v. *Railway Express Agency*, 321 U. S. 342, responsible collective bargaining requires that once a bargain has been made, it be reduced to writing so that no doubts can later arise concerning its terms. Accordingly, we recommend that the carrier's adoption of the March 19, 1949, agreement be reflected in a written instrument executed by it and by the representatives of its maintenance-of-way employees.

There is no evidence before the Board that the March 19, 1949, agreement has been made effective as to this carrier's two yardmasters. For that classification, the general pattern differs from the one applicable to the nonoperating employee group as a whole. Yardmasters have received an hourly wage increase of ten cents effective October 16, 1948. The question of the length of their workweek has remained open for further negotiations between the several carriers' conference committees and the employees' organizations. Those negotiations when concluded will produce an agreement that will itself create a national pattern in this particular. We recommend that the Galveston Wharves agree at this time to adjust its yardmasters' wages as above indicated, and that it bind itself to accept the conclusions that will ulimately flow from the present national handling of the work-week issue.

HUNTINGDON & BROAD TOP MOUNTAIN RAILROAD & COAL CO.

The Huntingdon & Broad Top Mountain Railroad & Coal Co. operates within Pennsylvania. Like other railroads whose traffic is largely dependent upon the functioning of the coal industry, this carrier has not prospered in recent years. It is in default on its indebtedness, has lost money on its current operations, and has been burdened by somewhat dilapidated equipment. It is in the hands of a trustee while reorganization plans are under consideration.

Of its 99 employees, 56 are involved in the present dispute. Because of declining volume of traffic the number of employees has steadily diminished since 1947, and all are not now working on a full-time basis.

At no point in the proceedings before us did this carrier object in principle to the terms of the March 19, 1949, agreement. On the contrary, the carrier's representative acknowledged that the employees needed wage increases of the sort that have been effectuated nationally.

We are satisfied from the evidence given us that the economic pressures resting on this carrier warrant special treatment of its problems. We believe that the employees' organizations should continue negotiating with this railroad's trustee in an effort to devise a fresh approach to the problem. In all probability the carrier can afford currently to abide by the national pattern or a close approximation of it. On the other hand, it may be desirable to deal with past liabilities in a way that will not ignore all other equities or shatter whatever hopes there may be of restabilizing the railroad as a going business. To that end, we recommend that the parties promptly proceed to negotiate further in the light of the general principles discussed earlier in this report. If a final agreement is not quickly reached, we recommend that whatever may remain in controversy be submitted to arbitration for a final decision.

LANCASTER & CHESTER RAILWAY CO.

No appearance was made and no evidence presented on behalf of the Lancaster & Chester Railway Co.

The employees' organizations presented evidence that it is in sound financial condition and earning substantial profits. Its net income for 1947, 1948, and 1949, respectively, was as follows: $130,040, $163,-461, and $158,718. It is owned by the Spring Mills, a sound and substantial industrial organization, the third largest cotton mill in the world.

There is no evidence to indicate that the full terms of the March 19, 1949, agreement should not be applied to the employees of the Lancaster & Chester Railway Co. It is our recommendation that the carrier enter into a written agreement with the employees' organizations in conformity with the March 19, 1949, agreement.

MERIDIAN & BIGBEE RIVER RAILWAY CO.

The Meridian & Bigbee River Railway Co. operates in Mississippi. The present controversy involves only its maintenance-of-way men.

The carrier has not been financially successful. A subsidiary of the Southern Finance & Construction Co., it has been in trusteeship under section 77 of the Bankruptcy Act since the early months of 1941. Recently a reorganization plan has been approved by the Interstate Commerce Commission and the United States District Court for the Eastern Division of the Southern District of Mississippi, and has been accepted by the creditors. We understand that the Reconstruction Finance Corporation will own the property after its reorganization and will select the railroad's officers.

Though the carrier was represented by counsel in the proceedings before us, no evidence was introduced by it as to its current financial position or prospects. We are, therefore, unable to express an opinion as to whether or not there is any reason why the March 19, 1949, agreement should not be applied here as it has been on many other properties that are not economically strong.

Ordinarily, in the absence of an affirmative showing by the carrier that exemption is warranted, we would be disposed to recommend adoption of the national pattern in all its aspects. In this case, however, we are struck by the special circumstance that no exploratory negotiations have in fact occurred on this property. The present trustee, under the guidance of the district judge, has taken the position that a matter so important for the railroad's future should be discussed with the new officers who are about to be appointed. Hence he has declined to enter into negotiations.

We see no reason whatever why the carrier should not give current and future effect to the wage and hour adjustments contemplated by the March 19, 1949, agreement. The very fact that the company is about to emerge from the trusteeship under which it has so long operated evidences the belief of the court, the Commission, and the creditors that a plan has now been evolved under which it will operate successfully. Lacking any evidence that local conditions necessitate departure from the national pattern, we accordingly recommend that the necessary adjustments be made effective in full as of September 15, 1950.

This leaves unsettled the question of the extent, if any, to which the adjustments should have been made retroactive. At least in large part because of the trustee's tenable conviction that he should not bargain about this matter, it has never yet been fully debated by the immediate parties. We recommend that the whole issue of retroactivity be negotiated between the employees' representative and the appropriate spokesmen for the carrier (whether these be its old or its new officers), having in mind the principles discussed in previous sections of this report. If agreement concerning retroactivity is not promptly forthcoming, we recommend that the issue be submitted to final and binding arbitration.

NEW ORLEANS & LOWER COAST RAILROAD CO.

No appearance was made and no evidence presented in behalf of the New Orleans & Lower Coast Railroad Co.

The employees' organizations presented evidence that it is in sound financial condition and earning substantial profits. Its net income for 1947, 1948, and 1949, respectively, was as follows: $128,539, $94,515, and $79,640. It is a wholly owned subsidiary of the Missouri Pacific Railroad, a carrier likewise having substantial net railway operating income and which has applied the terms of the March 19, 1949, agreement to its employees.

This carrier presented no evidence showing why the full terms of the March 19, 1949, agreement should not be applied. It is our recommendation that the carrier enter into a written agreement with the employees' organization in conformity with the March 19, 1949, agreement.

OGDEN UNION STOCKYARDS CO.

The Ogden Union Stockyards Co. is the wholly owned subsidiary of the Denver Union Stock Yard Co., to which discussion has been devoted above. Like its parent company, the Ogden Stockyards is a central market rather than a transportation company. While Ogden's operations are on a somewhat smaller scale than Denver's, there are no differences in principle between the two establishments. Without repeating our explanatory statement, therefore, we recommend that the same type of adjustments be made at Ogden as at Denver.

In one minor respect there is a discrepancy between the two stockyards. The common labor rate at Ogden is now $1.11, while it is only $1.09 at Denver. After conversion to a 40-hour week, the rates will be $1.33 and $1.31, respectively. Since the rates for all other job classifications are the same at both locations, it has been urged that the Board recommend that the rates be harmonized by reducing Ogden to the Denver level.

We are unwilling to accede to this request because to do so would result in an actual loss in the weekly take-home pay of the yard laborers at Ogden. Accordingly, we have recommended no change in the existing differential.

RIO GRANDE SOUTHERN RAILROAD

No appearance was made and no evidence presented on behalf of the Rio Grande Southern Railroad.

The employees' organizations presented evidence that a majority of its capital stock is owned by the Denver & Rio Grande Western Railroad Co., a carrier which during the past 3 years has shown annual earnings varying between 3 and 7 million dollars. The parent organization has applied the full terms of the March 19, 1949, agreement to its employees.

As indicated, the carrier presented no showing why the full terms of the March 19, 1949, agreement should not be applied on this property. It is our recommendation that the carrier enter into a written agreement with the employees' organization in conformity with the March 19, 1949, agreement.

ST. JOHNSBURY & LAMOILLE COUNTY RAILROAD

The St. Johnsbury & Lamoille County Railroad has, by unilateral action, reduced its workweek from 48 to 44 hours without reduction of weekly earnings. But it has thus far declined to give effect to the March 19, 1949, agreement and has called for further negotiations on the property. The management has suggested that it would be willing to adopt the national pattern for the future, "but with no retroactive compensation at any time."

The employees' organizations presented evidence that the St. Johnsbury & Lamoille County Railroad is controlled by Eastern Magnesia Talc Co., a substantial and profitable industrial organization, and by the Barre & Chelsea Railroad Co., whose president is also president of this carrier. It was organized to purchase substantially all the properties of the St. Johnsbury & Lake Champlain Railroad. The remaining properties of the latter are operated under lease by the

Maine Central Railroad, whose employees work under the terms of the March 19, 1949, agreement.

The carrier presented no evidence showing why the full terms of the March 19, 1949, agreement should not be applied to its employees. It is our recommendation that the St. Johnsbury & Lamoille County Railroad enter into a written agreement with the employees' organization in conformity with the March 19, 1949, agreement.

SALT LAKE UNION STOCKYARD

The Salt Lake Union Stockyard is an independent company, unrelated either to a railroad or to another stockyard. It employs 40-odd persons who are represented in collective bargaining by the Brotherhood of Railway and Steamship Clerks. Its first contract with that organization became effective on October 16, 1946. From the beginning, its wage rates have been precisely those in effect at the Ogden Union Stockyards Co., some 30 miles away. Throughout the proceedings before this Board the intent was manifested to maintain that exact relationship in the future.

The operative facts in this case are the same as have already been stated at length in connection with the Salt Lake Co.'s competitors, the Denver Union Stock Yard Co., and the Ogden Union Stockyards Co. Although the Salt Lake business appears not to have been so markedly successful as that at Ogden and Denver, it has by no means been a failure. There is no reason apparent in the record why the recommendations previously made as to other stockyards should not be extended to this one as well.

SIOUX CITY TERMINAL RAILWAY CO.

No appearance was made and no evidence presented on behalf of the Sioux City Terminal Railway Co.

The employees' organizations presented evidence that it is a subsidiary of the Sioux City Stockyards Co., which is, in turn, a subsidiary of the United States Stockyards Co. Both parent organizations are in sound financial condition. The Sioux City Terminal Railway Co. has earned a substantial net income each year. Its net income for 1947, 1948, and 1949, respectively, was as follows: $47,206, $23,027, and $67,187. In 1948, dividends of $12.50 were paid on stock having a par value of $100.

The carrier presented no evidence to show why the full terms of the March 19, 1949, agreement should not be applied to its employees. The Board recommends that the carrier enter into a written agreement with the employees' organization in conformity with the March 19, 1949, agreement.

STOCK YARDS DISTRICT AGENCY

The Stock Yards District Agency, Chicago, Ill., serves 27 carriers, including switching roads, all of whom have accepted the terms of the March 19, 1949, agreement. The Stock Yards District Agency itself has applied that agreement according to its understanding of the obligations flowing from it. In one narrow respect, however, the Brotherhood of Railway and Steamship Clerks contends that eight employees whom it represents have not been properly compensated.

There is no dispute in this instance about the 40-hour week and consequent wage increases. Nor does the carrier say that the seven cents hourly increase should not be granted retroactively to October 1, 1948. The only question is whether that increase has been correctly reflected in the piece-work rates of eight clerks.

Article I (*e*) of the March 19, 1949, agreement stipulates that piece-work rates are to be adjusted as follows:

> Where piece-work rates of pay are in effect on carriers having special rules as to the application of any increase, or decrease, in such rates, such rules shall apply. In the absence of any definite rule governing, the equivalent of 7 cents per hour shall be added to the unit piece-work price.

Without burdening this report with unnecessary detail, the Board can summarize the positions of the parties by saying that the carrier asserts and the brotherhood denies that there is on this property a local understanding equivalent to "special rules as to the application of any increase."

It would be profitless for this Emergency Board to pass judgment on so highly technical and completely localized an issue. Our reluctance to do so is enhanced by the fact that these very parties are in current conflict as to the propriety of the carrier's treatment of earlier wage increases, which it has applied to its pieceworkers in the same manner used in the present instance. If we were now to decide whether the 1949 agreement has been properly applied, we would unavoidably adjudge collaterally the parties' rights and obligations under wholly different contracts. In doing so we would perforce be determining the meaning and effect of agreements that are not at all within the jurisdiction conferred upon us.

The National Railroad Adjustment Board is of course the appropriate tribunal for the resolution of controversies concerning the application of collective bargaining contracts. It is available and competent to pass on the issue in contest between these parties, whether that issue pertains to previous agreements or to the agreement of March 19, 1949. The only difficulty is that these parties have never formally contracted to accept the March 19, 1949, agreement. Until they do so the National Railroad Adjustment Board is without jurisdiction, for its powers are confined to the determination of contractual disputes.

The solution is, we believe, plain and simple. The parties are not really in conflict on any point of principle. The brotherhood wishes the carrier to adopt the March 19, 1949, agreement; and the carrier, for its part, says that it has done so. We recommend that the parties now formally bind themselves, by written instrument, to govern their relationship by the terms of the March 19, 1949, agreement in all its applicable aspects including the matter of piece-work rates. Then, if they remain in disagreement after further efforts have been made to resolve their conflicting views, either party will be free to pursue the legal procedures at hand for precisely this type of controversy.

TENNESSEE RAILROAD CO.

The Tennessee Railroad Co. is an independently owned carrier operating in the north central part of Tennessee. Over 95 percent of its revenue is derived from transporting coal.

The controversy in this instance is a narrow one. Only maintenance-of-way workers are involved. They have numbered no more than 35 at any time during the pendency of the dispute; for most of 1950, only 20 section hands have been employed, on a 4-day-week basis. As to this group of employees the carrier has expressed willingness to give prospective effect to the provisions of the March 19, 1949, agreement. At one stage in the negotiations the carrier offered to make all the terms of that agreement operative in full, except that the 7-cents-per-hour general increase was to become effective on January 1, 1949, instead of October 1, 1948. This offer was rejected by the Brotherhood of Maintenance of Way Employees and was subsequently withdrawn by the carrier. In the present posture of the case, nevertheless, the question before this Board is not whether the national wage pattern should be observed by this railroad, for the railroad makes no contention to the contrary; the sole question is whether the pattern should be applied retroactively to the same extent as it has been elsewhere.

The carrier, arguing against retroactivity, presents persuasive evidence that its volume of traffic is markedly declining because of diminished production of coal in the area served. If this trend were to be accentuated and indefinitely prolonged, there is no doubt that the Company would find itself in severe difficulties.

The uncertainty of economic prediction is, however, well illustrated by this carrier's own experience. In January 1948 the Tennessee

Railroad Co. appeared before an Emergency Board that was investigating whether the national wage movement of September 1, 1947, should be followed by this carrier. Then as now the company made no objection to the substance of the wage adjustment in question; it merely contended that impoverishment prevented its making the adjustment retroactively. On that occasion the Emergency Board was persuaded of the carrier's inability to pay. It, therefore, recommended that the general wage increase should be made as of January 1, 1948, instead of September 1, 1947, as had been done elsewhere. The employees rejected the recommendation of the Emergency Board. They went out on strike until the carrier in April 1948 agreed to observe the precise retroactive date that had become a part of the then national pattern. Far from falling as a consequence into the utter collapse that had been predicted before the Emergency Board, the Tennessee Railroad Co. prospered and continued in business. For in that very year—1948—the company handled the largest volume of business in its entire history.

Apart from the inherent difficulties of deciding an existing case on the básis of future possibilities, there is considerable affirmative evidence that the Tennessee Railroad Co. is not so badly circumstanced as to warrant excepting it from the pattern all other roads have adopted. While the company has not been markedly prosperous, it has at least been continuously solvent since 1922, a period of nearly three decades during which many other carriers experienced acute financial difficulties. It is to be noted, moreover, that this railroad has benefited from the general rate revisions allowed by the Interstate Commerce Commission to offset the costs of the March 19, 1949, agreement; and this even though the agreement has not yet here been put into effect. A major part of the railroad's problem has been to persuade the Tennessee Public Utilities Commission that rate increases should be granted as to intrastate traffic. Except for one minor revision a quarter of a century ago, the carrier's intrastate rates remained static until 1948 when a substantial increase was allowed after the carrier had become liable to pay a general wage increase as recommended by an Emergency Board appointed by the President. We express no opinion as to whether further intrastate rate increases are now warranted. The appropriate regulatory authorities can be relied upon, we believe, to consider the carrier's situation as it may exist after payment of necessary operating expenses, including wages at the prevailing level.

We note, finally, that the carrier's shop employees, who are covered by a term contract and who negotiate separately from the cooperating labor organizations here involved, have already achieved the major benefits sought by the maintenance-of-way employees. While the period of retroactivity is different in one minor respect, this variance is attributable to contractual provisions unrelated to the substantive merits of the dispute before this Board. It would be inequitable, in our judgment, to withhold from the section crews the enjoyment of adjustments already applied to shop employees whose demands upon the carrier were made long after the Brotherhood of Maintenance of Way Employees had submitted its initial proposals.

Viewing the case as a whole, we conclude that the circumstances of the Tennessee Railroad Co. are not markedly different from those of many other somewhat unprosperous carriers. Accordingly, we recommend that the March 19, 1949, agreement be made fully applicable according to its terms.

TEXAS PACIFIC-MISSOURI PACIFIC TERMINAL RAILROAD CO. OF NEW ORLEANS

The Texas Pacific-Missouri Pacific Terminal Railroad Co. of New Orleans is a class I switching road owned in equal shares by the Texas Pacific and the Missouri Pacific Railroads. It employs nearly 700 persons represented by labor organizations that are parties to this dispute. To all of these employees except seven foremen in its mechanical departments it has fully applied the March 19, 1949, agreement, of which it was an original signatory through the Western Carriers' Conference Committee.

As to the handful of foremen from whom the agreement's benefits have been withheld, the carrier interposes an entirely technical objection to effectuating the contract. The "30-day notice" of April 10, 1948, which initiated the national movement, requested modification of "all *existing* contracts" between the labor organizations and the employing carriers. This carrier maintains that on April 10, 1948, there was no "existing" contract covering its mechanical department foremen. Hence, it says, it has never received any valid notice under the applicable provisions of the Railway Labor Act; and consequently none of the negotiations, proceedings, and agreements that grew out of the notice of April 10, 1948, can be deemed pertinent to this small group of employees.

To appraise the validity of this position we must first trace the contractual relations of the parties. On March 20, 1948, a contract had been made on behalf of the seven men now involved. This agreement was executed by the TP-MP Terminal on the one hand and, on the other, by System Federation No. 121 as representative of the International Association of Machinists; the International Brotherhood of Boiler Makers, Iron Ship Builders and Helpers; the International

Brotherhood of Electrical Workers; the Sheet Metal Workers International Association; the International Brotherhood of Blacksmiths, Drop Forgers and Helpers; and the Brotherhood of Railway Carmen of America. The contract dealt with the conditions of employment of the seven foremen in the mechanical departments. But by its terms it was to become effective as of April 16, 1948, rather than on the date of its execution. Thus, it was not operative until 6 days after the April 10, 1948, notice had been delivered to the carrier.

It does not follow, as the carrier insists, that the contract did not exist merely because its obligations had not matured. The law is familiar with many types of contracts whose performance is to be in the future rather than in the immediate present. We believe, therefore, that when the employees' organization (System Federation No. 121) informed the carrier on April 10, 1948, of a desire to revise "all existing agreements," its notice embraced the contract of March 20, 1948, and adequately complied with the relevant statutory requirements.

Our judgment in this respect is strengthened by examining the realities of the situation. The March 20, 1948, contract covering foremen was introduced in evidence but does not disclose on its face whether wage rates were altered by the negotiations which led to it. It was asserted by the employees, however, and not controverted by the carrier, that the contract probably made no change in the existing wage rates, but left the issue of compensation to be handled as part of the national movement that was then in contemplation. In this light there is nothing extraordinary about the fact that System Federation No. 121 expressed a desire to revise in 30 days the wage rates of employees for whom a new contract had just been drawn.

We conclude, then, that the carrier cannot successfully rely on any technical imperfection in the initiating notice. We turn next to consideration of whether the March 19, 1949, agreement should be deemed applicable to the mechanical department foremen.

In our opinion, that question has already been settled by the carrier's own acts. On July 6, 1948, the TP-MP Terminal authorized the Western Carriers' Conference Committee "to represent and act" for it in connection with the pending demands of the 16 cooperating railway labor organizations (which include all those linked together in System Federation No. 121); and the conference committee was at the same time empowered to conduct negotiations with the employees' representatives "to a final settlement or disposition." The authorization so granted was stated to be "coextensive with the provisions of current schedule agreements applicable to the employees represented by the organizations listed below"—referring to a list of the organizations before this Emergency Board. To be sure, the authorization made no specific mention of mechanical department foremen. But this fact is of small significance. The power conferred was "*coextensive with the provisions of current schedule agreements*" covering all the employees the organizations might represent; and by July 6, 1948, there can be no question but that the mechanical department foremen, represented by appropriate organizations, were embraced by current contracts. No special reference to a particular class of employees was necessary to make the authorization complete.

Our conclusion as to this branch of the case is that the TP-MP Terminal has since March 19, 1949, been bound through the acts of its representative (the Western Carriers' Conference Committee), to apply the agreement of that date to the foremen here involved.

WINONA RAILROAD CO.

The Winona Railroad Co. is a short line extending from Warsaw to New Paris, Ind., a distance of 18 miles, with a spur track extending from Warsaw to Winona Lake, a distance of 3 miles. At present it has only 30 employees, and only 4 of these—section men—are involved in this dispute. They are represented by the Brotherhood of Maintenance of Way Employees.

Representatives of the employees served notice on this railway of their proposed changes in wages and hours on April 10, 1948, as they had done on all the carriers of the country. Conferences were held on May 3, 1948, but no settlement then was reached. Conferences were next held on June 5, 1950, at which time management offered to increase hourly wages by 4½ cents retroactive to October 1, 1948. The offer was rejected.

Management testifies that to apply the March 19, 1949, agreement to its four section men would cost it $6,100 in back pay and payroll and insurance taxes. Sixteen former section employees, none of whom has worked for the carrier since the first quarter of 1949, are also represented by the brotherhood. If the March 19, 1949, agreement were made fully applicable to these employees, none of whom worked for the carrier for more than 2 weeks after it was signed, it would cost about $600 in additional back pay.

The carrier contends that it has been its policy to compensate all of its employees on a similar basis and that it would cost it $2,392 to make similar adjustments for its two shop employees, neither of whom is represented by the brotherhood.

The carrier contends that it cannot meet the cost of applying the March 19, 1949, agreement, to which it was not a party.

This Board is not equipped to make an independent analysis of the carrier's books and records. The body charged with that responsibility, the Interstate Commerce Commission, has already concluded that the Winona is not in a state of complete inanition and hopelessness, despite its discouraging record in recent years. Nevertheless, we are persuaded that this carrier is among the least favored of those before us.

Notwithstanding its disappointing past and its unpromising future, however, we do not believe that the Winona can expect its employees to be the major subsidizers of its unprofitable operations. Those who work on this railroad are entitled to wages that take account of prevailing levels as well as of the carrier's poverty. Still, having in mind the Winona's necessitous circumstances, we are unprepared to recommend that the national pattern be unqualifiedly adopted.

The negotiations that have thus far occurred on this property have not, we think, reflected any recognition of the principles we have sought to clarify in this report. The employees have insisted on undeviating acceptance of the March 19, 1949, agreement without adequately examining the particular circumstances that might warrant a local exception. For that reason we recommend simply that the parties resume their efforts to reach agreement through negotiation. If that effort should fail (as we believe it will not if both parties approach the matter sincerely), we recommend that they agree to submit to an impartial arbitrator the question of whether and to what extent the terms of the March 19, 1949, agreement should be observed by this carrier.

Respectfully submitted.

THOMAS F. GALLAGHER, *Chairman.*
WALTER GELLHORN, *Member.*
GEORGE W. STOCKING, *Member.*

WASHINGTON, D. C., *September 9, 1950.*

APPENDIX A

Appearances before the Board were as follows:

Carriers	*Representative*
Atlantic & East Carolina Ry. Co.	C. A. Miller, vice president and general counsel for the American Short Line Ry. Association.
Barre & Chelsea R. R. Co.	
Chicago, South Shore & South Bend R. R.	
Des Moines & Central Iowa Ry. Co.	
Escanaba & Lake Superior R. R. Co.	
Meridian & Bigbee River Ry. Co.	
St. Johnsbury & Lamoille County R. R.	
Tennessee R. R. Co.	
Winona R. R. Co.	
Chicago, Aurora & Elgin Ry. Co.	William J. Friedman and Joseph T. Zoline, 231 South La Salle St., Chicago, Ill.
Copper Range R. R.	H. W. Johnson, Houghton, Mich.
Denver Union Stockyards Co.	Robert G. Bosworth, counsel, and L. M. Pexton, president, Denver, Colo.
Ogden Union Stockyards Co.	
El Paso Union Passenger Depot Co.	W. G. Duncan, counsel, and W. King Hall, assistant director of personnel.
Texas Pacific, Missouri Pacific Terminal Co. of New Orleans	
Stockyards District Agency of Chicago	Harry K. Welsh, vice president, R. E. Lorentz, assistant personnel manager, Illinois Central R. R.
Huntingdon & Broad Top Mountain R. R.	J. W. Matthews, Huntingdon, Pa.
Salt Lake Union Stockyards Co.	Don E. Kenney, president and general manager, Salt Lake City, Utah.
Belfast & Moosehead Lake R. R. Co.	No appearance.
Columbus & Greenville Ry. Co.	Do.
Galveston Wharves	Do.
Lancaster & Chester R. R.	Do.
New Orleans & Lower Coast R. R. Co.	Do.
Old Point Comfort Joint Agency	Do.
Rio Grande Southern R. R.	Do.
Sioux City Terminal Ry.	Do.

EMPLOYEES

Mr. Lester Schoene, of Schoene & Kramer, 1625 K Street NW., Washington, D. C., appeared as counsel for the Employees Conference Committee of the 16 cooperating railway labor organizations representing all employees' organizations involved in these proceedings.

G. E. Leighty, chairman,
W. M. Homer, economic adviser,
Jesse Clark, secretary,
Employees Conference Committee Sixteen Cooperating Railway Labor Organizations.

Michael Fox, acting president,
George Cucich, research director,
Railway Employees Department, A. F. L.

John Pelkofer, general president,
M. McClymont, general vice president,
International Brotherhood of Blacksmiths, Drop Forgers, and Helpers.

C. J. MacGowan, international president,
A. P. Smith, international vice president,
International Brotherhood of Boilermakers, Iron Ship Builders, and Helpers.

Irvin Barney, general president,
A. J. Bernhart, general vice president,
Brotherhood Railway Carmen of America.

J. J. Duffy, international vice president,
R. E. Cline, international representative,
International Brotherhood of Electrical Workers.

A. J. Hayes, international president,
Ed Weisner, international representative,
International Association of Machinists.

J. M. Burns, general vice president,
Arthur Corrigan, international representative,
Sheet Metal Workers International Association.

George Wright, vice president,
J. W. Casselman, vice president,
International Brotherhood of Firemen, Oilers, Helpers, Round House, and Railway Shop Laborers.

George M. Harrison, grand president,
J. P. Jesse, grand vice president,
Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees.

T. C. Carroll, president,
F. L. Noakes, director of research,
Brotherhood of Maintenance of Way Employees.

G. E. Leighty, president,
R. J. Westfall, research director,
The Order of Railroad Telegraphers.

Jesse Clark, grand president,
Peter A. Murray, general chairman,
Brotherhood of Railroad Signalmen of America.

C. F. May, president,

W. J. Van Buren, secretary-treasurer,
National Organization Masters, Mates, and Pilots of America.
H. L. Daggett, president,
W. O. Holmes, secretary-treasurer.
National Marine Engineers Beneficial Association.
J. P. Ryan, international president,
R. A. Walton, international vice president,
International Longshoremen's Association.
Hugo Ernst, president,
R. W. Smith, secretary-treasurer,
Hotel and Restaurant Employees and Bartenders International Union.
M. G. Schoch, president,
Railroad Yardmasters of America.

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