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Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

APPOINTED ON JANUARY 9, 1952, PURSUANT TO EXECUTIVE ORDER 10314 DATED DECEMBER 17, 1951, UNDER SECTION 10 OF THE RAILWAY LABOR ACT, AS AMENDED

To investigate and report on certain unadjusted disputes between Pan-American World Airways, Inc., and certain of its employees represented by the Transport Workers Union of America, C. I. O.

(*NMB Case No. A–3827*)

NEW YORK

FEBRUARY 16, 1952

(No. 99)

NEW YORK, N. Y., *February 16, 1952.*

The PRESIDENT,

The White House.

Mr. PRESIDENT: The Emergency Board created by you on January 9, 1952, pursuant to your Executive Order 10314, dated December 17, 1950, under section 10 of the Railroad Act, as amended, to investigate and report on certain unadjusted disputes between Pan-American World Airways, Inc., and its employees represented by the Transport Workers Union of America, C. I. O., has the honor to submit herewith its report and recommendations based upon its investigation of the matters in dispute.

Very respectfully,

CURTIS G. SHAKE, *Chairman.*
WALTER GILKYSON, *Member.*
WILLIAM E. GRADY, JR., *Member.*

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INTRODUCTORY

The President of the United States, by Executive Order 10314, dated December 17, 1951, created an Emergency Board pursuant to section 10 of the Railway Labor Act, as amended, to investigate and report on certain unadjusted disputes between Pan-American World Airways, Inc., and certain of its employees represented by the Transport Workers Union of America, C. I. O.

On January 9, 1952, the President named as members of said Board, Curtis G. Shake, of Vincennes, Ind.; Walter Gilkyson, of New Hartford, Conn., and William E. Grady, Jr., of New York City. In his letters of appointment the President directed that: "The Board will organize and investigate promptly the facts as to such dispute, and on the basis of facts developed, make every effort to adjust the dispute and report thereon to me within thirty days from the date of the Executive Order."

The Board, constituted as above, met in the office of the American Arbitration Association, 9 Rockefeller Plaza, New York, N. Y., on Tuesday, January 15, 1952, and organized by confirming the designation of said Curtis G. Shake as its chairman and of Johnston & King of Washington, D. C., as its official reporters.

The appearances were as follows:

On behalf of the Carrier:

Everett M. Goulard, Esq., 28–19 Bridge Plaza No., Long Island City, N. Y.
Robert S. Hogueland, Esq., 28–19 Bridge Plaza No., Long Island City, N. Y.

On behalf of the employees:

O'Donnell & Schwartz, 51 Broadway, New York, N. Y.
Mr. Michael J. Quill, 153 West Sixty-fourth Street, New York, N. Y.
Mr. James Horst, 80–07 Broadway, Elmhurst, Long Island, N. Y.

It appearing that the 30-day period for the completion of the hearing and the filing of report with the President would expire on January 16, the parties joined in a stipulation to extend the time for

said report to February 18, 1952, and, subsequently, the President approved said extension.

Public hearings were held from day to day to and including February 12, 1952, on which date the record was closed.

THE CONTROVERSIES

At the outset of the hearing it developed that there were some 93 proposals in dispute between the parties, 75 of which were asserted by the Union and eighteen by the Carrier. It was manifest from the beginning of the hearing that the Board could not, in view of the time limitations placed upon its existence, hear the parties in detail as to each and all of these disputes. The Board suggested, therefore, that each of the parties designate the major or principal items with which it was most concerned. This resulted in a commitment from the Union that there were seven major issues before the Board and the Carrier identified six issues as of major importance to it. The hearings, except for the last 2 days, were limited to a consideration of these 13 issues, and it required, on the average, one day to hear each of said issues.

It should be observed, also, that three categories of employees are here involved, namely, airline mechanics and ground-service employees, flight-service personnel, and port stewards. Separate agreements as to each classification have existed, all of them in terms expiring December 1, 1951.

GENERAL OBSERVATIONS

The public safety and interest require a thorough and complete change in the attitude of the Carrier and the Union. What may be characterized as the principle of "historical chiselling" has no proper place in the relationship of a Union representing key personnel, such as mechanics, and a Government-subsidized United States flag carrier. That, as will appear, is the most important recommendation this Board can make.

On the one hand, there have been "quickie" stoppages in disregard of the plain provisions of the agreement. On the other, there has been preoccupation with the letter, rather than the spirit, of agreements. There is such a thing as being too clever. The fault need not here be apportioned as between the Union and the Carrier. There is blame enough for both.

Matters have reached such a pass that in the Atlantic Division, which embraces New York and various points in Europe and the Near East, the mechanics have refused to work even emergency overtime since last spring.

The Carrier has refused to transmit to the Union membership dues collected by the Carrier pursuant to provisions of the agreement. Thus, the Carrier has changed the conditions existing as of December 1, 1951, contrary to the explicit mandate of section 10 of the Railway Labor Act.

In view of the foregoing, it is not surprising that efforts by the Board to mediate met with a completely negative reaction. The Board has not had presented to it a single issue that could not have been disposed of by the normal processes of collective bargaining, *if*, and that is a very large if in this instance, the will to negotiate were present. Indeed, the nature of the issues designated as of major proportion is such as to indicate that there has been almost a complete break-down in the bargaining process.

The lesson is plain. Whatever recommendations this Board may make cannot offer a solution to the basic cause of this controversy. We repeat that we have heard nothing that should not have been settled by normal bargaining processes. It was apparent that neither side was prepared to accept the Board's recommendations with respect to the major issues in controversy. The Board felt, therefore, that no good purpose would be served by spending weeks in hearing the parties on the remaining issues. Accordingly, the hearing of those issues was confined to the last 2 hearing days.

We suggest to the parties that in future negotiations they concentrate on the real issues and not burden the consideration of those issues with make-weights or attempts to measure merits in terms of total value.

What we have said and are about to say, is not to be taken as reflecting in any way upon the attorneys for the Carrier or the Union who appeared before us. Within the limits of their authority, they presented their principals' cases ably and in gentlemanly fashion.

PART I. UNION'S PROPOSALS RE MECHANICS AND GROUND-SERVICE PERSONNEL

Union's Proposal No. 3—Meal Allowance

Article 4 section (e) of the agreement provides that "an employee working overtime shall not be required to work more than 2 hours continuously after the regular work period without being permitted a meal period, and shall be granted a meal allowance of $1, if required to work 2 hours or more overtime." The Union proposes that this subdivision be amended to provide that "an employee working overtime shall not be required to work more than 2 hours continuously before or after the regular work period without being permitted

a meal period, and shall be granted a meal allowance of $1 if required to work 2 hours or more overtime."

It was charged by the Union that following the adoption of article 4 (e) the Carrier engaged in a practice of scheduling overtime in advance of the regular work period and of scheduling such overtime for a strict 2-hour period, thereby circumventing the purpose and intent of the provision and avoiding payment of the meal allowance. While this contention was denied by the Carrier, we believe that the proposal of the Union is fair and reasonable and that it should be accepted by the parties. The Carrier's policy with respect to the application of the existing rule has not been consistent. Its Latin-American division applied the rule in accordance with the proposed amendment. The Pacific-Alaska division did not. Thereafter a system board of adjustment upheld the Pacific-Alaska Division's refusal to pay a meal allowance for preshift overtime, whereupon the Latin-American Division discontinued its prior practice.

The Carrier denied that its purpose was to avoid paying the meal allowance and asserted that preshift overtime was established in 1950 and thereafter increased in order to avoid overlapping of shifts. The record, however, indicates that the scheduling of overtime prior to regular shift is prevalent in the Miami division in the so-called C. O. B. service, where only a single day shift operates. Preshift overtime requires the men to report at 5 o'clock in the morning. A snack bar at the Miami base is open 24 hours a day. The majority of the men who are called in for preshift overtime have their breakfast at the snack bar.

This issue has generated a good deal of heat, with charges of sharp-shooting and so forth. We need not resolve the argument as to whether the Carrier's scheduling of overtime prior to regular shift was contrary to the spirit of the provision, if not to its letter. We think it fair that if overtime requires that a man be reimbursed for his supper, "overtime" or extra time scheduled before his regular work period should carry reimbursement for his breakfast and we so recommend. The reasonableness of the $1 which has been allowed was not put in question and therefore requires no comment.

Union's Proposal No. 24—Elimination of Master Mechanic Quota

Article 9 (j) of the agreement provides that "a mechanic first-class who reaches the top rate of the classification shall be permitted to take the qualifying test for master mechanic, and upon successful completion of the test shall be classified as master mechanic, provided the company may defer such reclassification if the total number of master mechanics in the system is in excess of 15 percent of the total number of mechanics of all classes under their agreement."

The Union proposes that the foregoing be eliminated and that the following be substituted: "A mechanic first-class who reaches the top rate of the classification shall be permitted to take the qualifying test for master mechanic, and upon successful completion of the test shall be classified as master mechanic."

A quota for master mechanics was first inserted in a collective bargaining agreement between the Union and the Carrier in January 1948. The Carrier then had a ratio of approximately 8 percent master mechanics to mechanics first-class. Historically there had always been a pay differential between masters and mechanics first-class.

The Union contends that in the Atlantic division mechanics first-class are doing the same work as master mechanics, but without an opportunity for promotion to the grade of master because of the operation of the quota.

The Carrier asserts that the job of master mechanic both in the Atlantic division and the Latin American division, in contrast to the Pacific-Alaskan division, has become diluted so as to be generally comparable to the classification of mechanic first-class. The Carrier states that it intended the classification of master mechanic to describe one who had the requisite ability and other qualities to serve as a leader and who would so serve, but that the reluctance of the master mechanics to serve as leaders has forced the Carrier to set up a differential of 15 cents per hour for lead work.

The Carrier asserts, and the Union does not deny, that in the Pacific-Alaska division the master mechanic is a supervisor. The problem therefore is presented in the Atlantic division and Latin American division, in each of which, according to the Carrier, it has been necessary to use assistant foremen as leaders, and, in the absence of assistant foremen, to designate mechanics to lead at a premium rate, if they lead for 4 hours or more.

Although neither the position of the Union nor that of the Carrier was wholly consistent, this much emerges. The master mechanic has no power to hire, fire, or effectively recommend discharge or assign work or report on the quality of work to the assistant foreman. He does not serve as judge of the competence of the other men on the job. That is up to the assistant foreman. It is also clear that the mechanic first-class and a master mechanic work side by side on the same jobs without any segregation of work. Their work is largely interchangeable, and it was not disputed by the Carrier that a large proportion of its first-class mechanics who have not already qualified as master mechanics could do so after a period of study.

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The problem thus comes down to a demand for equal pay for equal work upon the part of the Union. The demand is primarily a wage demand even though the parties have chosen to discuss it primarily in terms of job classification.

Putting aside the doubtful question as to whether any quota should have been inserted in the contract in the first place, we must recognize that the quota exists and that a bitter controversy has arisen out of its operation.

The question, then, is how best to handle the problem in the future.

The Board could recommend that a further or different percentage be fixed. Such a recommendation would be about as artificial as the present quota. If these master mechanics were true supervisors, the Carrier should have the right to determine how many it needs, without a restriction of this type. But whatever the masters were supposed to have been in theory, they are not supervisors.

We think that the continuation of the present method of approach cannot fail to lead to further and cumulative trouble along this same line. We recommend, accordingly, that the largely artificial distinction between masters and mechanics first-class, artificial at least in the Atlantic and Latin-American Divisions, should be done away with, and that the quota should be abolished altogether. If that is done, then mechanics first-class who pass the trade tests for master can, over a period of time, advance to the pay scales of a master.

We say "over a period of time" advisedly. At the present the highest rate for mechanic first-class is $1.98 per hour, and the lowest rate for master mechanic is $2.06 an hour, a difference of 8 cents. After the first 6 months of service, a master mechanic goes to $2.11 an hour, and after 1 year to $2.18 an hour. The Carrier has stated frankly that its insistence upon continuance of the present 15-percent quota is based largely upon the increased costs which would be incurred. We thank that is a valid point. Accordingly, if the present distinction between mechanics first-class and master mechanic is abolished the advancement to the master's rate should be gradual. The promoted employees should receive one-half of the differential between the highest first-class rate and the lowest master rate 3 months after promotion to master, and receive the minimum master rate after the next 3 months. This, coupled with the fact that all mechanics first-class will not qualify immediately, will make possible readjustment of working arrangements and, at the same time, make it easier for the Carrier to absorb the increased costs.

At present, as we have said, the carrier designates both mechanics first-class and master mechanics to serve as lead men when assistant foremen are absent or otherwise not available. These lead men receive

an additional 15 cents per hour if they work for 4 hours or more during a given day. The Carrier should, without necessarily formalizing this present practice into a separate job classification, have the right to continue that practice without contractual restrictions. Since lead men will be working as substitutes for assistant foremen, who admittedly are arms of management, the number of lead men to be designated should rest in the Carrier's sound discretion. The Carrier, moreover, in order to avoid a repetition of the current situation should have the right to require master mechanics to lead.

We appreciate that the foregoing recommendations may involve problems not explored at the hearings. Moreover, the Carrier has drawn, and the Union has not denied, a sharp distinction between the work of master mechanics in the Pacific-Alaska Division and the work of master mechanics in the Atlantic and Latin-American Divisions.

Although we urge the foregoing upon the parties as a solution which may dispose of this problem rather than revive it in a more aggravated form from year to year, we recognize that a simpler, if less realistic, approach may serve in this emergency situation and perhaps create a better atmosphere. The Union asserts that certain of the mechanics first-class have already passed the trade tests for master and that others can qualify readily. Accordingly in order to correct an inequity, which, whatever its origins, clearly exists, we recommend that, pending exploration of the above long-range recommendation, the present quota of 15 percent be increased to 25 percent.

Union's Proposals 14 and 28—"Follow the Work"

The Union seeks to add to article 8 (b) a new sentence reading; "In the event of a reduction in force due to a transfer of work, the persons involved may exercise the right to follow the work at company expense, to include expenses of full effects and traveling of persons involved."; and to add to article 10 as a new provision to be denominated 10 (j) reading: "Any employee transferring or transferred to another base shall retain his pay rating."

The effect of these proposals would be to guarantee to the employees the right to follow the work without any reduction in pay at the Carrier's expense when there is a reduction in force due to transfer of work.

The Union's demand arises primarily out of shifting of work between New York in the Atlantic Division and Miami in the Latin-American Division. The work involved is described as No. 3 service. This is "heavy" service required by the Civil Aeronautics Authority after each 375 hours of flight.

The Carrier states that Miami is now its main operating base. The base was acquired in the fall of 1948. No. 3 service and No. 4 service, also a "heavy" service, were then transferred from New York to Miami. The Atlantic Division was converted to an operating base providing only ordinary maintenance. One hundred and forty-eight mechanics were transferred from New York to Miami at the Carrier's expense. Fifty-two were laid off.

In March 1949, approximately 6 months after the acquisition of the Miami base, the Carrier began to perform No. 3 service on Boeing B–377's in New York. According to the Carrier, the Miami base was not ready to absorb the work on the new Boeings. Approximately 6 months thereafter, in October 1949, this service on the Boeings was moved from New York to Miami, resulting in the layoff of 81 mechanics in New York.

One year later, the No. 3 service on the Constellations and Boeings was moved back to New York from Miami. Of 264 mechanics on layoff in New York, 121 returned.

In September 1951, the No. 3 service on the Constellations and Boeings was moved back to Miami.

The Carrier does not foresee such service shifts in the future. The centralization of heavy maintenance and repair work, it is said, is now pretty well established at Miami. On the other hand, it developed that the Carrier is replacing some equipment with Douglas DC–6B's and will start tourist service in the Atlantic Division on May 1 next. Thus, it is by no means improbable that the shifting of work between bases will recur.

In the past the Carrier has posted vacancies and has sometimes offered and sometimes refused to offer to pay transfer expenses. This whole situation has been further complicated by the terms of the agreement relating to transfer and seniority. For example, the agreement speaks variously of "points," "fields," "stations," and "divisions." The Board made an earnest effort during the course of the hearings to ascertain the respective positions of the parties as to the meaning and application of these terms. It was apparent that the terms are sometimes used interchangeably and are given whatever gloss happens to best fit a given demand or refusal.

Manifestly, we cannot assume the responsibility of rewriting this agreement with respect to the loose and confusing use of these various terms. The most that the Board can undertake to do is to point out certain basic and fundamental approaches to the problem at hand in the hope that the parties, through the process of negotiation and definition, can apply them in such a manner as to bring order out of chaos and set up a formula that will result in future peace.

In approaching the problem, we strongly urge that the parties put aside their present preoccupation with niceties of interpretation of these various ambiguous terms and address themselves to the problems of the future rather than to quibbling. It is perfectly ridiculous for the Union to say that a "field" is both an enclosure for cattle and a wide geographical area, and for the Carrier to assert that it is merely a landing strip and in the same breath to say that the term also comprehends the whole Atlantic Division and that, although a field is a landing strip, LaGuardia Airport and Idlewild Airport constitute one field and are also a single station and also a single point.

We shall talk about places.

This is not a private fight. The public long has had a recognized interest in the transportation field. That interest is of particular importance in the field of air transportation and this for obvious reasons. A skilled and experienced mechanic represents a substantial investment. The employee has invested his time and skill. The Carrier, too, has made its investment in training the employee. So far as the public is concerned, that is of prime importance to safety in air travel.

When work is transferred from New York to Miami or vice versa, the Carrier has much to gain in retaining the services of its competent and experienced mechanics. An opportunity for transfer so as to avoid layoff is of deep concern to the mechanic. In other words, both the Carrier and the mechanic gain if the mechanic is given an opportunity to avoid a layoff by obtaining a vacant job elsewhere. More important, the public has an increased assurance of safety.

We envisage three different situations that may arise. In the first, for reasons of personal preference, and not to avoid layoff, a mechanic may wish to transfer to a different place. Such a transfer, if granted, should not be at the Carrier's expense.

At the opposite pole is the situation in which the Carrier may order a man from one place to another. Under these circumstances, the Carrier should bear the expense of the transfer. Parenthetically, when we speak of expense, we include traveling expenses, unsettling and resettling expense, not only for the individual employee but for his family and household goods as well.

Between these two situations is one in which a layoff is about to occur at one place and there are jobs available at another, and the men about to be laid off are qualified for those jobs. Our subsequent remarks are addressed to that situation and apply to inspectors, masters, mechanics first-class, mechanics, and helpers.

There has been a good deal of argument about whether under these circumstances, the Carrier "benefits" or the mechanic "benefits," if the vacancy is posted and is bid. Obviously, both benefit.

Clearly, the safety of the traveling public requires that experienced mechanics be given an opportunity to continue their employment with the Carrier at other places. And what we have said concerning employees who have been notified that they will be laid off applies equally to employees who are actually on layoff status.

We recommend that a graduated scale be established under which the Carrier will pay a percentage of the employees' transfer expenses. In this fashion the Carrier's ability to transfer work will not be seriously impaired and the security of the employees, whose skill and experience are important to the public, will be protected. As against the costs involved, it must be borne in mind that the Carrier will be saving severance pay.

The precise terms of the scale should be negotiated. We recommend, however, that the scale be established over an 8-year period; that in the case of employees with less than 2 years' service, the Carrier not be required to pay any of the transfer expenses; that in the case of employees with eight or more years of service, the Carrier be required to pay the full amount of the transfer expenses. We further recommend that the graduated scale provide for payment of at least 60 percent of the transfer expenses in the case of employees having six or more years of service. The expression "years of service" above includes periods of involuntary layoff.

Further, a man who transfers within his classification should retain his rate. If he transfers into a lower classification he should receive the maximum rate of the lower classification.

Our recommendations are limited to transfers within continental United States.

Union's Proposal No. 12—Vacations

The Union seeks to add a new paragraph to article 7 of the agreement so as to give the employees some assurance that they will be able to take their vacations during normal vacation months. Here, once again, the difficulty seems to be primarily in the Atlantic Division, in which the practice is to insist that one-twelfth of the mechanics take their vacation each month, end on end.

No operational reason has been furnished to justify this particular practice. It is quite true that not everyone can have his vacation precisely when he wants it. Due regard must be given to operating necessities of the Carrier. Its peak season embraces the summer months. We are unable, however, to see the necessity for the rigid

practice now being followed in the Atlantic Division. Indeed, it is probably fair to say that it results in making the so-called vacation benefit illusory for a large number of the employees, particularly for those employees who have families and children of school age. In the Pacific-Alaska and Latin-American Divisions, the desires of the employees and the needs of the Carrier have been accommodated without the use of an inflexible rule.

The Union proposed that a schedule be set up as follows: 2 percent for January, 3 percent for February, 4 percent for March, 12 percent for April through October, 3 percent for November, and 4 percent for December. The Union further suggests that the Carrier ask for volunteers for the January through March and November through December intervals. If a number sufficient to meet the above percentages do not volunteer, the Carrier then shall have a right to assign to those periods in accordance with inverse order of seniority.

We do not recommend the particular percentages, inasmuch as the record has not been sufficiently developed in that regard. We do, however, recommend that the foregoing or a similar approach be followed in principle.

Union's Proposal No. 18—Accrual of Seniority by Supervisors

The agreement provides in article 8 (k) that employees accepting positions in supervisory capacity shall retain and continue to accrue seniority. The Union proposes that the continued accrual of seniority be limited to a period of 2 years as is presently provided in article 3, section (k) of the contract covering flight-service personnel. The Carrier proposes that the 2-year limitation be removed from the flight-service agreement and resists its inclusion in the mechanic's agreement.

For the reasons set forth below in our discussion of the Carrier's proposals under the heading "Accrual of Seniority by Supervisors," we recommend that the issue be remanded to the parties for further negotiation.

Union's Proposal No. 29—Bidding Opportunities for Employees on Vacation or Sick Leave

The Union asks that the Carrier be required to notify employees, who are absent on vacation or because of illness, when jobs are posted for bidding. The Union also asks that such employees be permitted to bid upon return and that the Carrier fill the jobs on a temporary basis during the interval.

At present the Carrier notifies the Union when jobs are posted. That plus the posting on the premises should be sufficient. The re-

quest that the Carrier be compelled to make only temporary assignments appears to us to be impractical and disruptive.

We recommend against the proposal.

Union's Proposal No. 15—Trial Periods on Transfers

The Union proposes that when layoffs occur, employees having greater seniority should be permitted to bump those of less seniority and in addition have a 60-day trial period in the new job. The Carrier takes the position that it should have the right to determine qualifications at the time of the transfer and that the 60-day trial period would result in administrative and operational complications and might also be projected through a succession of employees.

We recommend against the proposal.

Union's Proposal No. 19—Review of Trade Tests

The Union proposes that trade tests used by the Carrier in connection with promotions be revised. The stated ground is that the tests are obsolete.

The Carrier asserts that trade tests are necessary, that all other major airlines have them and that the percentage of failures among those who take the tests is insignificant. As to obsolescence, the Carrier states that 79 revisions have been made since March 1948 in the tests and that the Union has never questioned the revisions.

We consider that trade tests are essential in view of the nature of the operations here involved. We think the Carrier should continue to notify the Union of revisions in accordance with its past practice and that the Union should have opportunity to express itself concerning the revisions. The content of the tests, however, should rest solely in the Carrier's judgment, subject to orderly grievance procedure.

We recommend against the Union's proposal.

Union's Proposal No. 41—Lead Pay

The Union asks that 8 hours' lead pay be given to anyone who leads from two to eight or more employees for any portion of a shift on which he is assigned to lead work. It is not asserted that this is justified in terms of work loads or working conditions.

We recommend against the proposal.

Remaining Proposals

We recommend that the remaining proposals, except those relating to wages, be remanded to the parties for negotiation.

PART II. UNION'S PROPOSALS RE FLIGHT SERVICE PERSONNEL

As to flight-service personnel, the Union proposes 13 major changes in the agreement. These proposed changes may be grouped for purposes of discussion. The Union presents money demands, and proposes changes in the agreement relating to hours of service and rest periods and to the filling of foreign assignments and transfer expenses.

Hours of Service and Overtime

Under the terms of the agreement, 85 hours constitutes "the normal monthly flight time." If an employee is required to fly over 255 hours in any quarter annual period, the flight time in excess of 255 hours in the 3-month period is deemed overtime and those hours of overtime are paid for at the rate of one-eighty-fifth of the employee's monthly salary for each hour of overtime worked.

The Union asks that the normal monthly flight time be reduced to 70 hours, that the practice of averaging overtime over a 3-month period be discontinued and that all hours over 70 flown in each month be treated as overtime and paid for at the rate of time and one-half.

In support of the foregoing proposals, the Union asserts that flight-service employees, because of the increased speed of the planes and other factors, are unable to achieve the so-called normal flight time of 85 hours per month. The Union also contends that the amount of ground time, i. e., time spent in immediate preparation for a flight, and time spent in connection with termination of a flight has increased in proportion to the amount of time flown during a month. The Union argues further that the practice of averaging over a period of 3 months is unfair because an employee may be required to work a very high proportion of hours far and beyond the normal flight time of 85 hours in a given month and yet receive no overtime because of a lesser number of hours in the third month.

The Carrier concedes that the flight-service personnel do not always achieve 85 hours of flight time in a given month. It states that 85 hours represents an objective or standard which the Carrier hopes to achieve in order to operate at maximum efficiency. So far as we can deduce from the conflicting statements of the parties, flight service personnel apparently average in the neighborhood of 75 to 77 hours per month.

As to the averaging over 3 months, the Carrier in substance takes the position that the nature of its operations requires that a certain amount of flexibility be allowed and that it would be unfair to burden the Carrier for attempting to meet travel requirements at peak periods and then burden the Carrier additionally during a succeeding

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month in which the employee receives his full monthly salary but is required to put in comparatively little flying time. In other words, the problem, according to the Carrier, is primarily one of maintaining an average staff for average loads over average periods of time, and avoiding overstaffing.

The parties are in collision as to what the facts really are. The Union points to the increased speed of the planes. The Carrier counters with the assertion that although the planes fly faster, they fly farther. The routes flown are many and varied in terms of flight patterns, length of point-to-point hops, layovers, total distances, and so forth. The speed of the equipment varies. The Union points to publicized speeds of the planes. The Carrier maintains that this is unrealistic, that other factors such as head winds, delay time, and so forth, must be considered. The Carrier therefore urges that the speed of the plane must be computed in terms of "block to block" time; in other words, from the moment the blocks are removed from in front of the plane's wheels at the point of departure to the moment when the blocks are replaced at the point of destination.

After a conscientious study of the record, the Board reaches the conclusion that the only way to obtain accurate information, as distinguished from opinion and argument, would be for the Board to undertake a field study which is, of course, an impossibility.

The truth of the matter probably lies somewhere between the opposing contentions of the parties. The 85 hours flying time no doubt has an operational basis. However, it is also the product of a certain amount of trading between the parties. That is equally true of the averaging over a 3-month period. Under these circumstances, the Board is reluctant to enter into this controversial field and feels that the more sensible approach is to leave it as an appropriate subject for further negotiation between the parties.

At present employees are required to wait 45 days following the end of a 3-month operational period before receiving pay for flight time in excess of 255 hours. This is much too long a period for the employees to be required to wait before they actually receive their overtime compensation. We recommend that this period be reduced to 30 days as the Union requests.

Before leaving the subject of hours of work, one further comment is required. The Union proposed a flat prohibition against flight-service employees being required to work more than 12 straight hours of flight time or a total of 16 consecutive hours of flight- and ground-duty time. The proposal is without merit. It would simply set up an unrealistic standard and would serve to complicate rather than to simplify the Carrier's operations.

Rest Period

Article 8 (d) of the agreement sets up a schedule of rest periods ranging from 1 day off after 6 through 12 hours of flight time, block-to-block, to 7 days off for flight time in excess of 72 hours, block-to-block. The progression is in terms of one additional day off for each 12 hours of flight time. The agreement further provides in section 8 (e) that "stand-by" time required for other purposes of the Carrier "shall not normally be scheduled by the company during an employee's rest period." It is further provided that if the Carrier does intrude upon the employees' rest period than the time so consumed shall be "added to a subsequent rest period."

The Union proposes that either the present relationship of flight to rest periods be converted to steps of 6 hours per day off or that the employee receive a minimum rest period of a day in for every day spent away from his home base, whichever is greater.

The Union also proposes that such portions of an employee's rest period as are consumed in stand-by time be doubled and added to the employee's next subsequent rest period.

The problem concerning rest periods appears to be most acute in the Latin-American Division, the home base of which is Miami.

There is no need in this report to go into the complexities of scheduling flights, the variations in flight patterns in the terms of weeks, days out, rest days, and so forth. We recognize that the Carrier faces a problem of considerable proportion in that regard. On the other hand, it is quite clear that existing practices make the so-called rest period illusory to a large degree.

At this point it would be well to differentiate between "stand-by" time and "reserve" time. Stand-by time is the 24-hour period immediately prior to the employee's next scheduled flight. During that the employee is required to be available in the event that one of the flight service personnel scheduled to take off during the 24 hours interval becomes ill or otherwise becomes unavailable. There is no issue before us as to "stand-by" time.

Reserve time is time during which the employee is subject to call. The parties use the terms reserve time and subject to call time interchangeably.

During stand-by time the employee is required to so arrange his affairs that the Carrier can contact him by telephone and he must not be farther away from the base than 45 minutes travel time.

During reserve time there is no formal limit on distance away from the base, but the employee is required to arrange his affairs so that he can be reached by telephone.

The conflict between the parties arises out of the fact that there is no fixed period of time during which the employee is a free agent. The Union asserts that in actual practice, as contrasted with theory, the Carrier treats flight-service employees as being subject to call during their rest period at any time, with the net result that the rest period becomes a reserve period or "subject to call."

We recognize that inevitably there must be some intrusion from time to time upon what ordinarily would be a period of complete rest. At the same time it must be recognized that rest subject to telephone call just is not rest in any true sense of the term.

As we have said, there is no conflict as to stand-by time. The problem, therefore, is to arrange for a reasonable proportion of reserve time to the time which the employee is to have as his own.

We recommend that if an employee has 1 day off he may be placed on stand-by on that 1 day; if he has 2 days off, 1 day on stand-by and 1 day not subject to call; if 3 days off, 1 day on stand-by, 1 day subject to call, and 1 day not subject to call; 4 days, 1 day on stand-by, 1 day subject to call, and 2 days not subject to call; 5 days, 1 day on stand-by, 1 day subject to call, and 3 days not subject to call; 6 days, 1 day stand-by, 2 days subject to call, and 3 days not subject to call; 7 days, 1 day stand-by, 2 days subject to call, 4 days not subject to call. This formula should be followed generally in dealing with rest periods which amount to 7 days or more.

The foregoing does not follow an exact ratio, but indicates the line to be followed in working out an equitable adjustment as between time subject to call and time not subject to call. The recommendation, of course, deals with rest periods at the employee's home base. If the foregoing is put into effect, the current proportion of rest period to flight time appears to be equitable.

In the practical operation of a plan such as we have outlined above, emergency situations or the like may require alterations or exemptions. In some instances the Carrier may be forced to require an employee to cut short his rest period or to stand-by for more than the 24-hour period immediately preceding his next scheduled flight. In instances in which the employee does not receive his full rest period as set forth above, the time missed should not, as at present, be deferable to an unascertainable point in time. We recommend that such periods be not deferred beyond the second subsequent rest period unless the employee consents.

Ground Time

It appears that approximately 45 minutes to 1 hour is consumed in so-called ground time, which, as we mentioned above consists of time spent in immediate preparation for flight and immediately fol-

lowing the termination of the flight in servicing the plane and the passengers. Time so spent has not heretofore been considered as flight time or as otherwise compensable. The Union does not ask that this practice be changed. However, the Union does urge that when delays occur because of mechanical difficulties, weather or other such conditions, the time spent by flight-service personnel in caring for passengers over and above normal ground time should be paid for at one-half the flight time rates. The proposal is confined to time actually spent in the company of or in general attendance upon the passengers. The proposal is not intended to cover delay time during which the services of the flight service employees are not required and the employees are left to their own devices. In other words, the proposal embraces delay time on duty in attendance on passengers or their needs rather than free time incident to the delay.

Insofar as the proposal rests upon the basic notion that an employee should be compensated for work actually done, the proposal is fair. However, it might require the Carrier to pay under circumstances which the Carrier obviously cannot control. It may reasonably be assumed that a delay of an hour or less is practically an inherent possibility in this type of operation and is something upon which the employees may fairly be asked to gamble.

We recommend the following: There should be no compensation during the first hour. Thereafter compensation should be at the rate of one-half flight time per hour. No compensation should be paid for fractions of less than one-half hour.

Article 8 (g) covers time spent in escorting passengers to their destination via other carriers.

Foreign Bases and Transfer Expenses

In proposals Nos. 24, 25, and 30, the Union seeks changes in the agreement which would provide that when a flight-service employee is permanently transferred from one field or division to another, or from one foreign station to another, the Carrier shall bear the reasonable expenses of such transfer, including transportation of the employee and the members of his immediate family and dependents, living expenses en route, transportation of a reasonable amount of personal effects and household goods, and an allowance for a reasonable amount of settling time upon arrival at the destination.

Although the Carrier at first appeared to take the position that these matters were not properly cognizable by the Board because of problems of extra-territoriality, it later conceded that it was within the province of the Board to make recommendations as to these matters, particularly in view of the past history of collective bargaining.

Briefly stated, the question before us is whether the Carrier should, as it proposes, be left wholly free to staff its foreign bases and flights with foreign nationals instead of following its present practice of using American nationals; and if not, to what extent should transfer expenses be borne by the Carrier.

The Atlantic Division of the Carrier flies to Europe, the Mediterranean area, the Near East, India, South Africa, and Scandinavia. The Latin-American Division flies to points in the Caribbean and in South America. The Pacific Alaska Division flies to the Far East. In the past, all flight-service personnel employed on these flights have been American nationals with two exceptions. The first of these is flight service within the territorial boundaries of Germany on which flights German stewardesses are employed; the second is on flights from Germany to Scandinavia on which one Scandinavian stewardess is employed. These German and Scandinavian flights were taken over when the Carrier purchased American Overseas Airlines.

The Union fears that by changes in flight patterns, shifts in bases, and establishment of new fields, the Carrier, in order to pay lower wages, will displace the present flight-service personnel. The problem is represented as acute because, with the exception of the German and Scandinavian flights above-mentioned, practically every one of the Carrier's flights crosses international boundaries. Thus, according to the Union, there are real possibilities of displacement. The situation is further aggravated by the refusal of the company to disclose to the Union its future plans, if any.

The situation came to a head in 1948. At that time the company posted 32 flight-service personnel jobs to be based in London, at facilities which had recently been acquired from American Overseas Airlines. The employees filed blanket bids offering to go anywhere in the world. The Carrier and the Union finally worked out a deal under which the transfer expenses of the 32 were paid by the Carrier to London and the Union withdrew its objection to the employment of German stewardesses on the intra-German flights.

The stalemate continues to this day. The blanket bids have not been withdrawn and the Carrier during the course of the hearing stated that it will not give any advance notice of future plans.

As opposed to the Union's position, which is based primarily on job protection, the Carrier asserts that as a matter of principle it should be free to hire foreign nationals as it sees fit. It argues that foreign nationals serve better under certain circumstances and that they are closer to the foreign travelers in background and language. On a more general plane, the Carrier likens its policy to the so-called Point Four Program and alludes to it as a Little Point Four Program.

In this connection it refers to the policy of Trans-World Airlines and presents a figure of 91 percent foreign nationals employed by that carrier. The 91 percent cannot include TWA pilots because they are required to be American citizens in order to fly United States planes. The 91 percent figure is not broken down and apparently includes not only flight-service personnel but a number of other types of employees, such as ground attendants, ticket sellers, and the like.

Whatever the facts may be concerning TWA, we do have here a long-standing controversy and a past history of collective bargaining between the parties concerning the matters in controversy.

Up to this point it appears that the only group of American nationals employed in flight service permanently based outside of the United States are the group in London heretofore mentioned. The rest of the flight-service personnel who fly the international routes are based in this country.

In view of the present state of the world and, indeed, in the foreseeable future, it is inconceivable to us that the Carrier would seriously consider staffing any flight which originates in the United States or its possessions or terminates in the United States or its possessions, with other than American nationals. The Carrier has stated at the hearing that it does not contemplate using foreign nationals on such flights. In this connection it should be noted that none of the foreign nationals employed by TWA as flight-service personnel fly to or from the United States. It is also the practice of foreign trans-Atlantic air carriers to use only their own nationals on flights which originate or terminate in their respective countries.

With reference to the group of flight-service personnel heretofore transferred to the London base, it is equally inconceivable that the Carrier, whatever its future changes in operations, would leave them stranded or would fail to pay their return expenses, by which we mean not merely travel, but the expenses of moving and settlement of the employee, his dependents, and his household goods.

The remainder of the controversy concerns prospective problems not yet in being which might arise in the event that the Carrier expands its operations abroad or changes its routes or opens new bases. There is enough controversy now without injecting hypothetical problems which may not arise. If they do arise, however, they should be taken up by the parties and negotiated in the regular collective bargaining process, with due regard to the security of those already employed, to jurisdictional questions which may arise under the Railway Labor Act, to the Carrier's reasonable freedom to control its operations, and with due regard to the specific problems on foreign flights which do not touch upon the United States or its possessions.

So far as the matter of transfer expenses and bidding is concerned, we do not think the problem is ripe for consideration at this time. All there is before us is an extreme position on the part of the Union and an equally extreme position on the part of the Carrier. Blanket bids on the one hand and secrecy on the other. On a matter such as this which involves so important a step in the life of an employee and such considerable expense to the Carrier, the parties should face up to the problem when it actually arises and solve it on some reasonable basis. We have had sufficient evidence thus far that the parties cannot agree even on minor matters. If they cannot agree on minor matters and cannot agree on major matters such as this or find some middle ground, then some better way should be found in the public interest to handle these problems.

Union's Proposal No. 36—Notification to Employee of Payroll Change

The Union proposes that article 19 (e) be amended so as to require prompt written notice concerning temporary changes in status as to compensation and not merely as to permanent changes as presently provided.

This is a reasonable request and we recommend it.

Union's Proposal No. 40—Notification of Cause of Discharge

Article 20 (a) of the agreement provides that the Carrier has a right to discipline or discharge an employee for cause as therein stated. The Union asks that it be provided additionally that the employee be notified in writing of the nature of the grounds for discipline or discharge. This is a reasonable request and we recommend it.

Union's Proposal No. 41—Grievance Time

The Union proposes that article 21 (a) of the agreement be amended so as to give a flight-service employee 10 days after his arrival at his home base to file a grievance, instead of a flat 10-day interval as at present. This is a reasonable request, provided the employees do not attempt to tack time from one rest period to the next. In other words, a limitation should be stated in terms of aggregate days at the home base rather than in terms of a flat 10 days after return to home base.

We recommend accordingly.

Union's Proposal No. 5—System Seniority

The Union proposes that in the even of reduction in force the flight-service personnel be entitled to one bump based on the lowest seniority

in the entire system at Carrier's expense and without regard to language qualifications.

We recommend against the proposal.

Union's Proposal No. 6—Accrual of Seniority by Supervisors

Article 3 (k) of the agreement provides that flight-service personnel who are promoted to supervisory positions shall accrue additional seniority to a maximum of 2 years. The Union proposes that such supervisors shall not accrue seniority at all and that the 2-year limitation shall be abolished. In other words, the Union seeks to have inserted in the flight-service agreement the same provision as appears in article 8 (k) of the mechanics' agreement. The Carrier contends that supervisors should be permitted to accrue seniority without time limitation.

For the reasons set forth below in our discussion of the Carrier's proposals under the heading "Accrual of Seniority by Supervisors," we recommend that the issue be remanded to the parties for further negotiation.

Union's Proposal No. 38—Negotiation re New Aircraft

The Union proposes that it have an opportunity to negotiate concerning wages, rules, and working conditions when the Carrier puts new equipment into service. Although new equipment may make some differences in the work of flight-service personnel, it is hardly probable that they will be of a substantial nature. On the other hand, the proposal, in view of the existing relationship between the parties, is fraught with mischief.

We recommend against the proposal.

Union's Proposal No. 44—Notice to Union of Employee Turnover

The Union requests that the Carrier be required to notify the Union immediately of the hiring and separation of employees. At present the Carrier notifies the Union at 3-month intervals. No reason has been advanced for burdening the Carrier with the additional administrative detail which the Union's proposal would necessarily entail.

We recommend against the proposal.

Union's Proposal No. 35—Minimum Flight Staff

The Union proposes that each flight have no less than two attendants, excepting only those flown by DC–3's. It proposes further that on all flights at least one attendant should be a purser. It is not asserted that this is justifiable in terms of workloads or work conditions.

We recommend against the proposal.

Remaining Proposals

We recommend that the remaining proposals be remanded to parties for negotiation.

PART III. UNION'S PROPOSALS RE PORT STEWARDS

Union's Proposal No. 16—Seniority Port Steward Ratio

The Union proposes that any crew of eight or more port stewards shall include at least two senior stewards. It is not asserted that this is justifiable in terms of workloads or working conditions.

We recommend against the proposal.

Remaining Proposals

We recommend that the remaining proposals, except those relating to wages, be remanded to the parties for negotiation.

PART IV. THE CARRIER'S PROPOSALS

Mechanics' Right To Require Overtime

The Carrier seeks to amend article 4 (d) which reads: "Overtime work shall be distributed among the employees qualified to perform the work necessitating overtime as equitably as possible," to read as follows: "Overtime work shall be assigned in accordance with operating requirements as determined by the company, but shall be distributed as equitably as practical among those employees best qualified to perform the work necessitating overtime."

The purpose of the proposed amendment is to give the Carrier the right to compel overtime work by the mechanic group.

The controversy concerning overtime work is most acute in the Atlantic Division. In the past, the mechanics group, as a result of layoffs, has refused to work planned overtime, preferring that their laid-off fellow employees be recalled. Suspicion of the operating management upon the part of the mechanics has now and for some months past mounted to such a state that the mechanics refuse to work even emergency overtime, an attitude which we consider thoroughly unjustifiable in view of the nature of the transportation here involved.

On behalf of the Carrier, it is asserted that paragraph (f) of article 8 in the contract effectively precludes the Carrier from recalling laid-off mechanics even in instances of planned overtime. The provision referred to appears in the substance to require recall in accordance with seniority and qualification and to allow the employee 2 weeks to report without losing seniority rights. Putting aside the question as to whether the strict construction placed upon this paragraph is

primarily the cause of the present difficulty or is presented more by way of justification for the Carrier's position, once again a stalemate compounded of equal parts of stubbornness is presented.

As to emergency overtime, suffice it to say that the Carrier should have the right to demand it. At the same time, the Carrier should be prepared to give reasonable assurance that it will not attempt to obtain planned overtime work in the guise of emergency while men are laid off and at the same time insist upon performance of the work. Insofar as article 8 (f), which protects the seniority of laid-off employees, is concerned, to the extent that it deprives the Carrier of an adequate supply of essential labor, it, in effect, creates an emergency and converts planned overtime into emergency overtime which the employees should willingly perform.

Unless there is modification of the stringency of rule 8 (f), the Carrier should have the benefit of its proposed amendment to article 4 (d). In sum, the Carrier should have the right to demand and receive true emergency overtime.

As regards planned overtime, which is necessary but not of an emergency nature, either the mechanics should be prepared to accept the assignment or the Carrier should not be hindered by an inflexible 2-week rule as at present. Such a rule can be modified without ignoring the seniority rights of laid-off employees.

We recommend accordingly.

Flight Service—"Field" and "Division"

Article 3 (d) and (e) of the agreement reads as follows:

(d) Flight service seniority within each Division shall govern promotion, demotion, reduction in force, reemployment, and matters involving preference, providing the employee is qualified for the assignment.

(e) All assignments to classifications covered by this agreement shall be made in each division from among employees covered by this agreement whose names appear on the Flight Service Seniority List under this Agreement.

We already have adverted to the confusion in the use of terms such as station, point, field, division, and the like. They have been a prolific cause of wrangling and the hearing showed a tendency on the part of both parties to place whatever meaning on the given term suited their immediate purpose. It is by no means clear in terms of the presentation before us just what these proposed changes are actually supposed to accomplish. Nor can we foretell, not having lived from day to day with the past controversy between the parties, what effect these proposals might have on other seemingly unrelated provisions of the agreement. For example, the Carrier has also proposed an amendment to article 14 (c) dealing with transfers which

would, nevertheless, leave in the article as amended both the words "field" and "division" thereby inviting future controversy.

We confine ourselves, therefore, to recommending that the parties once and for all declare frankly to each other just what each does want and then bargain it out instead of using terms interchangeably, and then when controversy arises, retreating to their private interpretations of what the words mean.

Flight Service Transfers

The Carrier seeks to strike out of article 14 (c) the words "(1) before any new employee is hired at the Field or in the Division to which such transfer is requested and (2)". Once again we encounter the word "field." As we have said previously, this has proven to be a mischievous term in the relationship between the parties. In the absence of any reasonable area of agreement between the parties as to what the term has meant in the past and what it should mean in the future, any recommendation by us would serve only to give a fresh start to a dispute that has lasted entirely too long. We repeat, candor plus a definition of terms is what is needed, and we recommend accordingly.

Flight Service—Blanket Bids

We have already referred to this practice in discussing the Union's proposal concerning the Carrier's desire to hire foreign nationals as flight service personnel.

The Carrier proposes that the practice be discontinued and that such bids should be confined to no more than three places.

This is reasonable and we recommend the proposal.

Accrual of Seniority by Supervisors

This controversy applies to both the mechanics group and the flight-service group. As we have said previously, the Union proposes that there be no accural of seniority by supervisors. The Carrier proposes that there be no limitation of accrual of seniority by supervisors. The mechanics agreement now provides for indefinite accrual. The flight-service agreement provides for accrual up to a maximum of 2 years.

The Union asserts that since the Carrier is not required to lay off or demote supervisors in inverse order of seniority or for that matter in any order whatsoever, the Carrier has used that power to "hide" favorite employees so as to protect them from layoff and thereby bump rank-and-file employees who are senior to the demoted supervisors in terms of time actually spent on the rank-and-file job. No specific instance of this was convincingly presented.

The Carrier asserts that the restrictions on the accrual of seniority will seriously hamper its efforts to attract superior employees to supervisory positions and that this is in reality an attempt on the part of the Union to reach out for control of the advancement of employees. The Carrier further points out that the collective bargaining agreements of other major airlines do not contain any time limitations upon the accrual of seniority by supervisors who have been promoted from rank-and-file status.

It appears that the problem is most acute in the Atlantic Division as a result of the repeated transfer of work between New York and Miami.

A problem of this nature is peculiarly within the competence of the parties. Previously, they have arrived at two different solutions in two different agreements. Now each seeks to retreat to an absolute position in direct conflict with that of the other. In view of the strained relationship between the parties, we discount both their respectively stated purposes and the reasons asserted in support of those purposes. We are convinced, moreover, that there has been no real effort to find a middle ground which would adequately protect the interests of the Union on the one hand and of the Carrier on the other.

We recommend that the issue be remanded to the parties for further negotation.

Remaining Proposals

We recommend that the remaining proposals, except those relating to wages, be remanded to the parties for negotiation.

PART V. UNION SECURITY

The agreements covering each of the three groups of employees namely, the mechanics' group, flight-service group, and port stewards, provide in substance that the employees must become members of the Union 60 days after their employment and must thereafter maintain membership to the extent of paying initiation fees and membership dues uniformly required. Each contract also provides that the Carrier shall check off dues if an employee so authorizes in writing.

The Carrier now proposes that these provisions be eliminated. The Carrier's argument follows the line typically employed by those who are opposed to union-security provisions in collective-bargaining agreements. This line of argumentation is by now so familiar in the field of labor relations that it requires no repetition here.

Additionally, the Carrier in substance argues that the Union has not demonstrated that it is a responsible labor organization and that consequently it is unworthy of these union-security provisions. Grant-

ing that the Union's conduct at times has not been what it should have been, it is also fair to point out that the Carrier's attitude has been provocative, too.

The present situation, as we have said, is bad enough. Deletion or limitation of these Union security provisions could not fail to inflame matters still further. In this context it would almost be tantamount to a declaration of war between the parties.

We recommend against the proposal.

PART VI. NO STRIKE CLAUSE

The Carrier seeks to add to the existing "no strike" provisions in the agreements the following: "Any employee engaged in fostering, or contributing to a strike, sitdown, slowdown, or work stoppage of any nature in violation of this article shall thereby forfeit all seniority and shall be subject to discharge." At the hearing the Carrier represented that action taken by it under this proposal was intended to be subject to postreview pursuant to grievance procedure.

Provisions of this nature can serve a useful purpose. At the same time they can readily be exploited by a management hostile to labor organizations. In the light of the unfortunate relationship existing between the parties, this Board is of the opinion that the proposed addition to the agreements would aggravate existing conditions rather than remedy them. To insert a clause such as the one proposed would be about as impractical here as to do away with the union security provisions.

We recommend against the proposal.

PART VII. WAGES

We shall treat the subject of wage increases for all three groups of employees as one matter.

The Union asks for increases across the board as follows: 16 cents per hour for the mechanics and ground-service group; 14 cents per hour for the port stewards group and $34 per month for flight service personnel.

The present rates, according to the Union, do not maintain the real wages of the employees as they existed prior to the present period of inflation. The Union asserts that the employees are entitled to increases in the amount which the Railroad and Airline Stabilization Board has recognized as permissable without that Board's prior approval. The Union also urges that the Carrier's operations have expanded without a proportionate increase in the number of these employees and that, consequently, productivity should be given con-

sideration. The Union emphasizes the international nature of the Carrier's operations and the necessity for a higher degree of employee responsibility, skill, and the like.

The Carrier has countered by comparing its rates with those of other airlines and with schedules showing the advancement of its rates as compared to those of other carriers since 1946. The Carrier argues that its rates do not suffer by those comparisons and that other airlines are only now catching up with its standards.

Of 208 flagships in international service, Pan-American owns 144, and all other combined companies, including TWA, have only 64. Eastern Airlines and the Carrier also bear a relationship to each other. Each has its main base in Miami, Fla., and compete with each other for labor.

The rates for the mechanics' group in the Carrier and those in TWA have been generally comparable with the top rates somewhat higher on the average in the Carrier. The TWA wage rates, however, were subject to renegotiation as of December 31, 1951. Until recently the same was substantially true of the Carrier's rates as compared to those of Eastern.

From January 15, 1950, the base date for stabilization purposes, to December 1, 1951, the increases in all three carriers were comparable, the Carrier 10 cents, Eastern 10 cents, and TWA 11 cents.

So far as flight-service personnel are concerned, stewards employed by the Carrier receive a starting salary of $196 per month and reach a top of $291 a month after 3 years. The scale in TWA starts at $210 per month and reaches a top of $315 after 6½ years. The Carrier, while admitting that the top in TWA is much higher, argues that the high percentage of turnover in the steward group in both lines makes the Carrier's rates more realistic than those in the higher brackets of TWA. The Carrier states that the comparison should be made at the 2-year mark, in which event the Carrier's rate is $281 per month as against $260 per month paid by TWA, a difference of $21 and $235 paid by Eastern, a difference of $46. Eastern, however, provides incentive pay of $1.60 per hour for all flight time in excess of 67 hours in a calendar month. The rates of the TWA flight-service personnel are subject to renegotiation on June 1, 1952.

The Union's argument that the full amount permissible under General Wage Regulations 6 and 8 should be given because those regulations permit them to be paid without prior approval by the Railroad and Airline Wage Board, proves too much. Those regulations merely fix the amount that may be paid without first obtaining the Board's approval. They do not constitute a mandate that the permissible amount be given. The parties are free to agree upon less without

the necessity of obtaining approval, or to agree on more and seek approval.

Since January 15, 1950, the stabilization base date, the parties have bargained and agreed upon increases for each of the three groups of employees involved. The mechanics and ground-service group, and the port-stewards group, each received a 6-cent per hour increase in January 1951 and a 2-cent increase in May 1951 and 2-cent in November 1951. These two latter increases were pursuant to an escalator clause agreed upon in March 1951, subsequent to the so-called freeze date of January 25, 1951. The flight-service personnel received an increase of $4 per month in March 1950 and $5 per month in March 1951.

Wage negotiations usually are not divorced from other subjects of collective bargaining. They may sometime be on a reopening which is limited solely to wages. But more typically the amount agreed upon is related to success or failure in obtaining other benefits.

The Carrier contends that the foregoing agreed increases absorb the amounts permissible under regulations 6 and 8 and foreclose the Union from invoking the rise in the cost of living in aid of its present wage demands; that the Union is in effect seeking to renegotiate a bargain already made and should not now be heard so to do.

We think the Carrier's argument also proves too much. If a union is forever bound not to seek further increases prospectively, it might well be argued that an employer is bound not to seek to decrease wages.

We think that the escalator clause, during the period of its operation, absorbed the amount that might otherwise have been available by reason of the rise in the Consumers' Price Index. That is the fair import of the Regulation 8.

However, we do not read Regulation 6 in that fashion. Collective bargaining is a highly practical as well as a legal concept. Increases in living costs present an intensely practical problem. Regulation 6 was designed as a general "catch-up." On the facts presented here, at least, we think that the existence of an unexpended balance under Regulation 6 may properly be considered in connection with the Union's proposed increases.

Personnel qualifications have been higher in international operations than in domestic operations. The Carrier's mechanics carry an especially heavy responsibility. There are no "fields," "strips," or "stations" in midocean at which a plane may land. The flight personnel are required to have language qualifications and to be familiar with customs and immigration regulations. It is not seriously disputed that these higher requirements have been reflected in the difference in rates as between international and domestic air carriers.

During the course of the hearings it was brought to our attention that Eastern had negotiated a new agreement, effective as of January 1, 1952, with another labor organization representing employees similar to these here involved. As we have said above, until that time the Carrier's rates, including the 4-cent escalation in 1951, were somewhat in excess of Eastern's. For example, the top rate of master mechanic in the Carrier is $2.18 per hour, and the Eastern top rate was $2.13, or 5 cents lower than that of the Carrier. The top rates of mechanics first-class were the same. The Carrier's top rate for helpers was $1.56 as against $1.53, or 3 cents higher than Eastern's top rate.

The picture has now changed substantially. The new top rate for master mechanics in Eastern as of January 1, 1952, is $2.31, or 13 cents higher than the Carrier's top rate; the new top rate for mechanics first-class is $2.16, or 18 cents above the Carrier's top rate. The new top rate for helper is $1.64, or 8 cents above the Carrier's top rate. The starting rates in the case of mechanics first-class and helpers show comparable substantial increases.

The spread between the Carrier's rates and the new Eastern rates will be even greater as of July 1, 1952, when further increases are to go into effect under the Eastern agreement. As to master mechanics, the Carrier's present top rates would, as of that date, be 15 cents behind Eastern's and its starting rate 27 cents behind Eastern's. Its top rate for mechanics first-class, would be 20 cents behind Eastern's and its starting rate 14 cents behind. Its top rate for helpers would be 10 cents behind Eastern's and its starting rate 8 cents behind.

The Eastern settlement was a settlement negotiated by the parties and may be taken as a sign of the pressures of the times. The TWA contract opened as of December 31, 1951, for the TWA mechanical group. It will open July 1, 1952, for flight-service personnel. In contrast to the situation in the mechanics' group, however, the Carrier has maintained a substantial lead in flight-service rates.

In addition to the foregoing considerations, some weight must be given to productivity. The Union asserts, and the Carrier does not dispute, that more planes are being flown more miles with proportionately fewer employees than were needed in past years. This point, however, is subject to discount, for it is reasonable to assume that management, too, has contributed something to the increase in productivity.

We have carefully studied the many arguments and exhibits which have been presented. Those mentioned above are illustrative, rather than exclusive. Much point was made of the fact that the improvement in the Carrier's rates since 1946 outran that of other carriers. That is not controlling here. The main pressure here stems from the

post-Korea inflation, and, as we pointed out above, since January 1950, the Carrier, TWA, and Eastern have given substantially similar adjustments.

Wages, as we have said, are but one part, albeit an important part, of the labor-relations picture. They are here enmeshed with other issues and the presence or absence of other benefits. Consequently, they are within the peculiar competence of the parties at the bargaining table. Unfortunately, however, instead of assuming their mutual responsibilities, the parties have abdicated them. In so doing, they have of their own choice, risked the hazard of entrusting to third parties that which should have been settled by collective bargaining in terms of the total picture.

Taking into account, among other things, the nature, responsibilities, hazards, advantages, and disadvantages of the various jobs, the existence of other benefits, the increased cost of living, the Carrier's relationship to other airlines, and the recommendations hereinabove made, we recommend the following across-the-board increases:

Inspectors, 10 cents per hour.

Master mechanics, 12 cents per hour.

Mechanics, first-class, 13 cents per hour.

Mechanics, 14 cents per hour.

Mechanic's helpers, 15 cents per hour.

Ground-service personnel, 15 cents per hour.

Flight-service personnel, $16 per month.

The foregoing recommendations are not intended to affect existing differentials for leading.

We consider that the foregoing increases are deserved and will not be inflationary in effect.

Escalator clauses are but one means by which wages can be adjusted to changes in cost of living. A reopening clause can also be used. Each has advantages and disadvantages for one party or the other.

We make no recommendation as to which should be chosen. The next agreement between the parties for the reasons to be stated below should be of 2 years' duration from the date of its execution. If the parties decide upon a reopening clause, that clause should be limited solely to the issue of wages and should provide for reopening upon the expiration of 1 year from the date of execution of the agreement.

If an escalator clause is negotiated, the dates by which the percentage change in the Consumers' Price Index is measured should be so arranged as to eliminate the necessity of recomputation of wages paid before the monthly publication dates of the Consumers' Price Index changes. The terms of the progressions should be negotiated by the

parties. Further, we recommend that the escalator clause be effective only within continental United States.

All the foregoing recommendations are subject to the policies and regulations of the Railroad and Airline Wage Board.

RETROACTIVITY

The changes in compensation referred to under "wages" above should be made effective as of midnight of December 1, 1951.

The changes in working conditions should be effective as of the date of execution of the new agreement.

DURATION OF AGREEMENT

The next agreement negotiated by the parties should be for a period of 2 years. The experience of the recent past indicates that the attitude of the parties makes it impossible for them to negotiate within a reasonable period of time. The net result is a long period of turmoil. A 2-year agreement will not prejudice either party if they will make up their minds to get down to the things that are of real importance.

CERTIFICATION

In conformity with the requirements of section 502 of the Defense Production Act of 1950, as amended, Emergency Board No. 99 hereby specifically finds and certifies that the changes proposed in the recommended settlements set forth in the above and foregoing report to the President are consistent with the standards established by or pursuant to law and now in effect for the purpose of controlling inflationary tendencies.

Dated at New York, N. Y., February 16, 1952.

CURTIS G. SHAKE, *Chairman.*
WILLIAM E. GRADY, JR., *Member.*
WALTER GALKYSON, *Member.*

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