

**Report**  
**TO**  
**THE PRESIDENT**  
**BY THE**  
**EMERGENCY BOARD**

**APPOINTED BY EXECUTIVE ORDER 10509 DATED  
DECEMBER 16, 1953, PURSUANT TO SECTION 10  
OF THE RAILWAY LABOR ACT, AS AMENDED**

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**To investigate the facts as to certain disputes between  
the Railway Express Agency, Incorporated, a carrier,  
and certain of its employees represented by the Brother-  
hood of Railway and Steamship Clerks, Freight Handlers,  
Express and Station Employees**

***(NMB Case A-4358)***

**WASHINGTON, D. C.  
FEBRUARY 17, 1954**

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**(No. 105)**

WASHINGTON, D. C., *February 17, 1954.*

The PRESIDENT,  
*The White House,*  
*Washington, D. C.*

Mr. PRESIDENT: The Emergency Board appointed by you on December 16, 1953, by Executive Order 10509, pursuant to Section 10 of the Railway Labor Act, as amended, to investigate certain disputes between the Railway Express Agency, Incorporated, and certain of its employees represented by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, has the honor to submit herewith its report.

Respectfully submitted,

FRED W. MESSMORE, *Chairman.*  
WILLIAM E. GRADY, JR., *Member.*  
G. ALLAN DASH, JR., *Member.*

(II)

**REPORT OF EMERGENCY BOARD NO. 105 APPOINTED  
DECEMBER 16, 1953, BY THE PRESIDENT PURSUANT  
TO SECTION 10 OF THE RAILWAY LABOR ACT, AS  
AMENDED, TO INVESTIGATE THE FACTS AS TO CER-  
TAIN DISPUTES BETWEEN THE RAILWAY EXPRESS  
AGENCY, INCORPORATED, A CARRIER, AND CERTAIN  
OF ITS EMPLOYEES REPRESENTED BY THE BROTH-  
ERHOOD OF RAILWAY AND STEAMSHIP CLERKS,  
FREIGHT HANDLERS, EXPRESS AND STATION EM-  
PLOYEES**

**INTRODUCTORY STATEMENT**

The President appointed this Emergency Board by Executive Order 10509 dated December 16, 1953, pursuant to Section 10 of the Railway Labor Act, as amended, to investigate and report on certain unad-justed disputes between the Railway Express Agency, Incorporated, and certain of its employees represented by the Brotherhood of Rail- way and Steamship Clerks, Freight Handlers, Express and Station Employees.

The President named as members of the Board, Fred W. Messmore, of Lincoln, Nebr.; William E. Grady, Jr., of New York City, N. Y., and G. Allan Dash, Jr., of Philadelphia, Pa., and directed the Board to organize and to investigate the facts promptly, attempt to adjust the dispute, and to report within 30 days.

The Board, constituted as above, met at 32 West Randolph Street, Chicago, Ill., on Wednesday, January 3, 1954, designated Fred W. Messmore as its chairman, and confirmed the appointment of Ward & Paul, of Washington, D. C., as its official reporters.

For convenience we shall refer to the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, as the Brotherhood, and to the Railway Express Agency, Incorporated, as the Agency.

The Brotherhood appeared by George M. Harrison, grand presi- dent; Robert Morgan, vice president, both of 1015 Vine Street, Cin- cinnati, Ohio, and by Eli L. Oliver, Labor Bureau of the Middle West, Washington, D. C.

The Agency appeared by Robert C. Hendon, vice president in charge of personnel, and John M. Meisten, Director of Labor Relations, both of 230 Park Avenue, New York, N. Y.

Public hearings began on January 6, 1954, and continued from day to day to and including January 20, 1954, on which date the

record, consisting of 1,590 pages of testimony, and 53 exhibits was closed.

The Board wishes to record its appreciation of the high ability and courtesy which the representatives of the Brotherhood and of the Agency displayed throughout the hearings.

Inasmuch as the 30-day period for completion of the hearings and the filing of this report would have expired on January 15, 1954, the parties joined in a stipulation extending the time to and including February 17, 1954, and the President approved the stipulation.

Conferences were held pursuant to the direction of the President with representatives of the Brotherhood and of the Agency in an attempt to adjust the disputes between them. We found it impossible to effect an adjustment.

### **The Fundamental Disputes**

The fundamental points of dispute may be summarized in the following fashion.

The Brotherhood seeks adjustment of alleged wage inequities in 16 local areas. Additionally, the Brotherhood seeks adjustment of allegedly discriminatory rates paid to Negro employees in the southeastern section of the country.

The Agency contends that the alleged inequities are long-standing differentials and that as a part of the railroad industry it should not be required to depart from the pattern of across-the-board general wage increases granted, without regard to such differentials, by the railroad industry. As to the allegedly discriminatory rates in the Southeast, the Agency contends that the differences in rates are based upon job content and not upon race.

These contentions of the parties, and others, will be discussed further at appropriate points in this report.

### **Background of the Disputes**

The Agency is a carrier of valuables, goods, and other freight, which by reason of inherent value, or the need for speed in delivery, or both, require special or "express" handling.

The Agency is wholly owned by some 68 railroads. With the exception of the president of the Agency, who is a director at large, its directors are railroad officials, six representing the Eastern District, five the Western District and four the Southern District. The Agency has approximately 45,000 employees, of whom about 40,000 are covered by collective bargaining agreements. The Brotherhood represents about 36,000 of these employees, including clerks, platform men, vehicle men and others. Approximately 13,000 are involved

here. The International Brotherhood of Teamsters, herein called the Teamsters, represents approximately 4,000 vehicle employees distributed among 8 cities, namely, San Francisco, Chicago, St. Louis, Cleveland, Cincinnati, Philadelphia, Newark, and the New York metropolitan area. The Teamsters are not a party to the disputes before this Board. A separate dispute is pending between the Teamsters and the Agency, to which we shall refer later.

Prior to 1918, seven express companies operated throughout the country. Wage rates varied as between companies operating in the same area, and also varied from place to place.

In 1918 these companies merged and formed the American Railway Express Co. The Agency was created in 1929 and is the successor to that company.

On April 14, 1919, the United States Director General of Railroads issued a directive known as Supplement 19 to General Order No. 27. Supplement 19 directed that the highest express wage rate paid in any given area for a particular type of work become the area rate for employees performing that work. The directive did not affect the variations in wage rates which existed as between areas for the same type of work. Since 1937 wage movements of Agency employees have been predominantly in uniform across-the-board, cents-per-hour amounts following the pattern of similar general increases granted by the railroads.<sup>1</sup> Wage levels of key employees of the Agency have fallen substantially below comparable local wage levels in certain areas to which we shall refer.

In 1922, the Agency's predecessor reduced the wages of Negroes in the Southeastern section of the country below the minimum which had been established by Supplement 19 to General Order No. 27, referred to above. The United States Railroad Labor Board held that these wage reductions were unfair and unlawful. Although these employees have received the benefit of subsequent general increases, the differential in rates resulting from the 1922 wage reduction still persists.

Such is the general background of the disputes before the Board.

As of the moment other demands by the Brotherhood upon the Agency are pending. They concern pass privileges, health and welfare benefits, vacations, and holidays. These demands are presently in mediation and are not here involved.<sup>2</sup>

<sup>1</sup> Prior to 1937 wage adjustments on a local area basis were made. In 1941 a local wage adjustment was made at Detroit following a strike which was investigated by an emergency board known as the Stone Board.

<sup>2</sup> The Brotherhood's demands, except as to holidays, parallel the demands served by the Brotherhood and other nonoperating unions upon the railroads. The resulting dispute is now being investigated by Emergency Board No. 106 appointed by Executive Order 10511 dated December 28, 1953.

No demand has been made by the Brotherhood upon the Agency for a general wage increase. The Brotherhood, however, is free to serve such a demand upon 30 days' notice.

Meanwhile the Teamsters have served upon the Agency a demand for a general increase of 35 cents an hour and for improved health and welfare benefits on behalf of the vehicle employees it represents in the eight metropolitan areas, above mentioned. The Teamsters' demands are in mediation and are not before this Board.

The dispute relating to alleged wage inequities in metropolitan areas, and the dispute concerning the allegedly discriminatory rates in the Southeast, arise out of differing factual situations and require separate discussion. Accordingly, we shall divide this report into two parts and discuss those disputes in part I and part II, respectively.

## Part I

### RATE INEQUITIES (a) IN METROPOLITAN AREAS AND (b) IN SUBURBAN AREAS

#### INTRODUCTION

The first demand by the Brotherhood for adjustment of an alleged wage rate inequity related to Detroit and was served on the Agency on June 2, 1953. An increase of 30 cents per hour for all positions was demanded.

On July 29, 1953, the Brotherhood demanded a 37½ cents per hour increase for all positions in Pittsburgh, and on August 28, 1953, a similar increase of 30 cents per hour at Milwaukee.

The demands were clearly premature inasmuch as the agreement between the parties of March 2, 1951, contained a moratorium on wage demands until October 1, 1953. The demands, however, were later amended to become effective as of October 1, 1953.

Subsequent to October 1, 1953, the Brotherhood served demands for comparable increases in 10 additional metropolitan areas.<sup>3</sup>

Suburban rate adjustments in three additional areas were also demanded.<sup>4</sup>

	<i>Cents</i>
<sup>3</sup> New York, N. Y., Oct. 22, 1953.....	37½
Cincinnati, Ohio, Oct. 22, 1953.....	30
Chicago, Ill., Oct. 23, 1953.....	30
St. Louis, Mo., Oct. 23, 1953.....	30
Washington, D. C., Oct. 23, 1953.....	37½
Minneapolis-St. Paul, Minn., Oct. 26, 1953.....	30
Kansas City, Kans., Oct. 27, 1953.....	30
Memphis, Tenn., Oct. 27, 1953.....	30
New Orleans, La., Oct. 27, 1953.....	30
Toledo, Ohio, Oct. 29, 1953.....	30

<sup>4</sup> Mt. Clemens-Pontiac, October 26, 1953. Oakland, Calif., October 26, 1953. Long Island, N. Y., October 22, 1953.

The hearings made it clear, however, that the acute pressure points are Detroit, Pittsburgh, and Milwaukee. The members of the Brotherhood went on strike in Detroit on October 21, 1953, in Pittsburgh on September 24, 1953, and in Milwaukee on October 19, 1953. They remained on strike until the Executive Order, creating this Board, was issued on December 16, 1953. On the same date strike threats in the remaining cities were withdrawn.

The Teamsters, as we have said, represent vehicle employees of the Agency in San Francisco, Chicago, St. Louis, Cleveland, Cincinnati, Philadelphia, Newark, and the New York metropolitan area. In those cities, the platform men and other Agency employees are represented by the Brotherhood.

The Brotherhood and the Teamsters agreed in 1937 to proceed on a live-and-let-live basis. The truce, however, was broken in Detroit in 1941 and a bitter strike ensued. This dispute was investigated by an emergency board (the Stone Board) which recommended strongly that the rivals, in the public interest, compose their differences. Thereafter rivalry continued, primarily, however, at the bargaining table.

The "scope" rule contained in article I of the agreement between the Brotherhood and the Agency specifically excludes vehicle employees represented by the Teamsters in the eight cities above mentioned, and further provides for the exclusion of vehicle employees in any other city in which a majority of those employees become members of the Teamsters. In March 1952 an agreement was reached between the Brotherhood and the Teamsters which in substance provided that the status quo be maintained unless the Teamsters demonstrated to the Brotherhood's satisfaction that it had achieved majority status in a given city, in which event the Brotherhood agreed to withdraw as representative of the vehicle employees in such city.

Claims to majority status were made by the Teamsters in Detroit, Pittsburgh, and Milwaukee, but were rejected by the Brotherhood at or about the time the Brotherhood made the demands for increases in those cities.

The Agency asserts that this is not a wage dispute but a representation dispute. Actually, as we shall see, it is more than that.

It is, however, unfortunate that these two powerful labor organizations have not succeeded in composing their differences. In this connection it may be observed that the Railway Labor Act unlike the National Labor Relations Act contains no provision permitting an employer faced with conflicting representation claims to petition the National Mediation Board for an election. Whether a change which would allow such employer petitions is desirable has not been explored

before us and we make no recommendation in that regard. The problem, however, is sufficiently important to warrant serious consideration.

But there is more presented here than interunion rivalry. The rate situation of which the Brotherhood complains antedates the Teamsters' attempts at organizing in those areas. The Teamsters' activity triggered the Brotherhood's demands but it did not create the situation or the discontent underlying them. And the Agency does not dispute the Brotherhood's status as collective bargaining representative of the employees in the area in question.<sup>5</sup>

Moreover, the Agency's position concededly would be the same whether the demands in question were presented by the Brotherhood or by the Teamsters.

The Agency's position is that as part of the railroad industry it should not be required to depart from the railroad pattern of across-the-board general increases; more specifically, that the Agency should not be required to consider adjustments in area rates until such time as adjustments in area rates occur in the railroad industry. Thus, the Agency's resistance to the instant demands rests upon a broad base which cuts across any question of representation.

By the same token the Agency's position concededly would be the same whether the Brotherhood's request for area adjustments involved 1 city or, as here, involved 16 cities, or involved a larger number.

Prior Emergency Boards have found "that the Railway Express Agency is a part of the railroad industry and that historically the major labor relation issues have followed the national pattern set by the railroads."<sup>6</sup>

We concur in that finding and agree further that the railroad pattern should continue, as prior boards have indicated, to apply to general wage and hour movements and other major matters.

However, adherence to that pattern has produced certain gross wage rate inequities, which are peculiar to the Agency's operations. The resulting problems are very real as events of the recent past have demonstrated, and the public interest in them is no less real.

In this context the Agency's insistence upon application of a railroad wage pattern constitutes a wholly negative approach and offers no constructive solution to the problems and for the following reason. The Agency employs vehicle men. The railroads do not. Since the railroads have no vehicle wage inequities, the railroad wage pattern

<sup>5</sup> On January 25, 1954, after the close of the hearings herein, the Brotherhood requested the National Mediation Board to conduct an Agency-wide election among vehicle employees.

<sup>6</sup> Lapp Board, 1948; Cole Board, 1949; Edwards Board, 1947; Woolley Board, 1946; Calkins Board, 1944; Sharfman Board, 1943; Shaw Board, 1943; Morse Board, 1941; Devaney Board, 1940.



cannot be expected to furnish a basis for correction of inequities peculiar to the Agency's operation. Thus, in practical consequence the Agency's position is in substance that it will not correct inequities in the foreseeable future, no matter how substantial they may be.

Adjustment of the inequities here presented need not and should not, as we have said, be taken as an abandonment of the railroad pattern in situations to which that pattern lends itself and to which it historically has been applied. If anything, correction of these inequity problems should serve to strengthen the relationship of the Agency to the railroad industry in the future.

Indeed, the Agency, its employees, and the Brotherhood, all would benefit by a realistic job classification program and the establishment of appropriate wage differentials.

Before proceeding to our discussion of the inequities presented, a further contention of the Agency requires comment.

The Agency contended that the financial results of its operations make it unable to absorb any wage increase. The Brotherhood contended that the Agency could readily absorb very substantial increases.

In simplest terms, the Agency, under its agreement with its owners, the railroads, deducts its operating expenses from its income and turns over the balance to the railroads as payment for the use by the Agency of railroad facilities. These are described as payments for "express privileges." The Agency contends that it is operated at a "loss" because payments for "express privileges" do not adequately compensate the railroads for the use of their facilities.

If we put aside the year 1945, which the parties agreed was an abnormal year, and take the period from 1946 through 1952,<sup>7</sup> the evidence presented by the Agency shows that in round figures total revenues declined from \$433 million to \$402 million, a drop of \$31 million. However, during that same period the Agency's operating expenses declined from \$326 million to \$249 million, a decrease of \$75 million, or more than double the \$51 million drop in revenue. And during the same period payment to the railroads for "express privileges" rose from \$106 million to \$153 million, an increase of \$47 million. As a prior Emergency Board observed<sup>8</sup> the arrangements between the Agency and the railroads relating to express privileges and other financial arrangements as well, are sufficiently complex as to require elaborate valuation and cost analyses, which neither party attempted to present. In any event, as another Emergency

<sup>7</sup> The Agency did not have figures for 1953 beyond October 31, and stated that it was unable to make a year-end projection.

<sup>8</sup> Devaney Board, 1940.

Board stated,<sup>9</sup> "Such considerations are primarily relevant in rate proceedings rather than in wage proceedings."

We find no basis in the data offered by the Agency for concluding that the Agency is unable to grant the increases hereinafter recommended. We have, however, provided that the recommended increases be granted in steps over a period of time in order that the immediate cost impact will be lessened.

We proceed now to discussions of (a) the alleged rate inequities in metropolitan areas, and (b) in suburban areas.

#### A. Metropolitan Areas

The major groups of employees of the Agency are classed as "warehouse and platform laborers" and "vehicle employees." Each of these is a composite group.

The first includes a class variously called "sorters," "routers," "separators," and so forth, and a class variously referred to as "platform man," "houseman," "express handler," and the like. Despite lack of uniformity in job titles, two types of jobs are distinguishable in platform service. The best defined classification in platform service is that of "sorter," for express shipments must be separated by destination, consignee, and route, and the requisite skill and knowledge must be possessed by some of the platform service employees.<sup>10</sup> Even where the separation of duties, as between "sorters" and other "platform men" is most complete, the "platform man" must have a thorough working understanding of express separations, by station order in cars and by cars and platform locations, even though he does not do the initial sorting.

The general classification "vehicle employee" includes drivers, helpers, and garagemen. The best defined classification is that of "driver." Drivers must be capable of driving their vehicles safely and efficiently. Their major skill and responsibility, however, consists in knowing the areas which their routes serve and the various express rates, in soliciting business and in so dealing with shippers and consignees as to protect the Agency's relations with patrons, in collecting and accounting for the express charges on each shipment handled, and in the safe, accurate, expeditious handling of shipments which sometimes are of great value.

The content of the basic jobs mentioned above varies between cities as to skill, responsibility, the need for speed, and the degree of pres-

<sup>9</sup> Woolley Board, 1946.

<sup>10</sup> The reference to the classification of "sorters" in this report designates those employees who, with or without other platform duties, perform the work of separating express by destination, consignee, route, and so forth.

sure upon the employee. The factors basically determining these variants between cities are the number of consignees and the number and types of areas their routes serve, the variety and volume of shipments, the number of arriving and departing trains, airplanes, and over-the-road trucks, and surrounding conditions and circumstances such as traffic congestion, and so forth.<sup>11</sup>

The Brotherhood contends that wage rates should vary with relative job content, and has based its proposals for wage adjustments both upon changes in job content within cities and changes as between cities over the years. The Brotherhood also maintains that changes in wage levels in other industries in the cities here concerned, particularly when expressed as departures from general wage levels in the regions in which these cities lie, should be considered in fixing wage rates of Agency employees.

When employees engaged in occupations of similar title but of different job content are working in proximity to each other, a comparative study usually will permit establishment of accurate classifications and wage differentials. This has been the experience in manufacturing industries in many of which job evaluation and classification programs have been in operation for extended periods of time. But the factor of distance does not permit complete accuracy so far as Agency job classifications and rates are concerned.

The measurement of differences in skill, responsibility and effort, and in the degree of pressure as between a driver in a large city and smaller city can, however, be approximated. There are major differences and job content varies with the size of cities. This applies equally to sorters.

The wage rates of Agency employees are generally higher in the large cities than in the smaller cities and towns. Allowing for wage changes during 1953, data offered by the Agency show that average straight-time earnings for Agency platform employees are above the Agency's national average for such work by the following amounts: Detroit, 13.7 cents per hour; St. Louis, 5.9 cents per hour; Washington, D. C., 4.6 cents per hour; Kansas City, 2 cents per hour. On the other hand, platform employees in Milwaukee, Cincinnati, Memphis, and New Orleans are paid from 1.8 cents per hour to 5.5 cents per hour below the national average. Vehicle employees also are paid differentials above and below the Agency's national average for their work.

<sup>11</sup> The Agency sought to compare its job and rates with those of class I steam railroads. The comparison, however, was offered by a witness without personal knowledge of the jobs, without consultation with Agency or railroad operating officials, and was actually based upon conjecture.

Thus, the Agency's own rate structure recognizes the principle that wage levels should bear a correlation to city size, with allowance for regional differences.

Rates of truck drivers, transit and local cartage, pickup and delivery employees whose work is affected by differences in pressure, traffic congestion and other factors related to city size, also vary in an approximate ratio with the population of urban centers, although other, and regional, factors affect the variation.<sup>12</sup>

In the larger cities here involved, wage rates of Agency drivers have fallen progressively behind the rates of comparable truck drivers until today the differentials between those rates are substantial. The prevalence of across-the-board, cents-per-hour wage increases granted since 1937 to Agency employees, as contrasted with percentage wage increases to truck drivers, has been an important factor in creating this condition. While in a few of the southern cities the Agency drivers have maintained a relatively good rate position vis-a-vis comparable truck drivers in those same cities, Agency drivers in other sections now receive substantially lower rates than comparable truck drivers.

The largest differentials exist in the three cities in which Agency employees recently engaged in strikes, namely, Detroit, Pittsburgh, and Milwaukee.

Although there was disagreement between the parties as to which local trucking wage rate should be compared to that of Agency drivers, certain direct comparisons were made by both parties. The Agency and Brotherhood alike cited as comparable with Agency driver rates the hourly wage of \$2.16 paid local truck drivers in Detroit. Calculated on the same basis as the local rate the hourly rate of Agency drivers in Detroit is \$1.898, or 26 cents per hour below the local rate.

Both parties cited a "local freight" truck driver's rate in Pittsburgh, of \$1.95 per hour, based on a 48-hour week, comparing it with the Agency rate of \$1.812. Since workweek reductions in the Agency have included maintenance of weekly earnings, the local freight rate in Pittsburgh of \$1.95 is the equivalent of \$2.34 per hour on a 40-hour per week basis. Thus the Agency rate is 53 cents per hour below the comparable local rate.

<sup>12</sup> The Agency objected to consideration of these rates. However, they have been considered and given weight. The Edwards Board, in 1947, considered a demand by the Teamsters for an increase of 35 cents per hour for vehicle employees whom the Teamsters represent. The Agency pointed to a general increase of 15½ cents per hour previously granted by the railroads and opposed the Teamsters' demand for 35 cents upon the ground that the 15½-cent increase was sufficient to maintain parity between the rates of the Agency's drivers and local truck driver rates. The Board so found and recommended a 15½-cent increase.

The Milwaukee local cartage rate, cited by both parties for comparison with Agency drivers' rates, has been \$2.01 per hour and was increased to \$2.10 on February 1, 1954, plus a 1 cent cost-of-living allowance, as against the Agency rate of \$1.783 per hour, a spread of 32 cents per hour.

Correcting hourly wage rates for variations in the length of the workweek, the evidence shows that truck drivers' wage rates in various cities correspond generally to city size. Reasonable differentials can be determined which will lessen gross inequities presently existing in the Agency's rate structure.

If local trucking rates are correlated with cities on the basis of population within their metropolitan areas, as the parties heretofore have conceived them,<sup>13</sup> three major classes of cities emerge. Within these classes local trucking wage differentials exist between geographical regions, with wage levels higher in the northeast and Pacific regions than in the central-west and southeast regions. The factors underlying that rate distribution by city size and region are applicable to Agency rates.

The Board concludes, then, that the wage issues concerning the Agency employees in the cities here involved should be resolved on a basis that gives appropriate recognition to size of the respective cities and the region in which they are located.

The evidence before the Board is most complete with reference to the cities of Detroit, Pittsburgh, and Milwaukee. All three cities lie in the northeast area of the country. In accordance with city size, the wage rates of vehicle employees in the two larger of these cities, Detroit and Pittsburgh, should be at a higher level than those in Milwaukee. The city of Minneapolis, although it would be classed with the larger cities in size, would have a lower wage level for vehicle employees than Pittsburgh and Detroit because the evidence indicates lower wage levels in the Central-West area.

The wage level which the record amply supports for Agency drivers in the cities of Detroit and Pittsburgh is \$2.02 per hour or, in round figures, \$350 per month.<sup>14</sup> That rate is less than the rate presently paid to local truck drivers in both cities. However, although the parties did not develop the point, some residual differential should be allowed for stability of employment and for retirement

<sup>13</sup> For example, Jersey City, N. J., is part of the New York metropolitan area, but Newark, N. J., is not.

<sup>14</sup> Wage rates expressed in cents per hour should be multiplied by 40 for conversion to a weekly basis and by 173.3 for conversion to a monthly basis. For purposes of establishing the basic wages and differentials herein recommended, the monthly equivalent of the hourly rate is to be derived by multiplying the hourly rate by 173.3, so as to apply the rate and differentials to paid holidays as well as to time worked.

and other benefits enjoyed by Agency employees that are not uniformly received by local trucking employees.

A differential of  $8\frac{1}{2}$  cents per hour for drivers in the group of next smaller cities in the Northeast is appropriate. This would yield a rate of approximately \$1.935 per hour, or in round figures \$335 per month, for drivers in the city of Milwaukee. A still further differential of  $8\frac{1}{2}$  cents per hour for drivers in the group of next smallest cities in the Northeast would complete the differential scale appropriately and would yield a rate of \$1.85 per hour, or in round figures \$320 per month, for drivers in the city of Toledo.

The evidence, as previously stated, supports a wage level for drivers in the group of largest cities in the Central-West area, below that of the largest cities in the Northeast. A differential of  $8\frac{1}{2}$  cents per hour yields a rate of \$1.935 per hour, or in round figures \$335 per month, for drivers in the cities of Minneapolis and St. Paul. A further differential of  $8\frac{1}{2}$  cents per hour below that rate, for drivers in the group of next smaller cities in the Central-West area, is appropriate. This further differential will yield a rate of \$1.85 per hour, or in round figures, \$320 per month, for drivers in Kansas City.

In the Southeast area a rate of \$1.85 per hour, or in round figures, \$320 per month, is equitable for the largest cities. Such a rate properly would be applicable to drivers in the city of Washington, D. C. Successive differentials of  $8\frac{1}{2}$  cents per hour for the next two classes of smaller cities in the Southeast, will establish equitable wage levels for such cities.

Examination of the wage rates paid Agency sorters discloses a basic correlation between the level of such rates and the size of the city in which the sorters work. Wage levels in cities of the same general class also vary from region to region. However, these also vary within a given region and in a number of larger cities, particularly in the Northeast, wage rates for sorters are much lower than those in other comparable cities in the same region.

The Brotherhood has urged that the sorters' rates be equalized with the average hourly earnings of factory workers in the major cities in which sorters are employed. This line of reasoning is deficient for reasons readily apparent. For example, average hourly earnings of factory workers include skilled jobs that are far more complex than the job of sorter. High rates often reflect an attempt, as in the case of Detroit, which the Brotherhood cites, to offset irregular employment. Nonetheless, it is apparent that the wage rates for sorters, even when those factors are considered, are substantially below average hourly wage levels for general industry, more particularly in Pittsburgh and Milwaukee.

Again, the situation presented points to the necessity of applying appropriate wage principles which will resolve gross inequities presently existing in sorters' rates. The principle we have applied to drivers' rates is appropriate in the case of sorters' rates. Adjustment of sorters' rates, base upon the size of city and the region in which the city lies, will lessen gross inequities in sorters' rates.

The wage levels for sorters by city-size and region which will most effectively diminish these inequities should be higher in the larger cities of the Northeast region than in the smaller cities in that area, and should yield lesser earnings in the cities in the Central-West and Southeast areas.<sup>15</sup>

Before we tabulate the recommended wage levels for drivers and sorters by city and region, additional observations are in order. The wage rates for Agency vehicle helpers and garagemen have, in the past, been related to the wage rates of drivers. The recommendations set forth below as to drivers should be considered as key rates to which the wage changes for vehicle helpers and garagemen in the various cities and regions should be tied. If application of the recommended wage levels results in an increase to drivers at a given point, an increase in the same amount in cents per hour should be granted at that point to driver helpers and garagemen.

The wage levels recommended below for sorters are intended to apply only to those employees who, with or without other platform duties, perform the work of separating shipments by designation, consignee, route, and so forth. Other platform wage rates exist at various Agency locations for job classifications which do not include separation of shipments. The recommended wage levels for sorters are the key platform rates to which it is appropriate to gear wage increases for platform classifications other than sorters. If application of the recommended wage levels results in an increase for sorters at a given point, an increase in the same amount in cents per hour should be granted at that point to all other categories of platform employee.

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<sup>15</sup> Sorters' rates in Pacific coast cities are not here involved.

### Recommendations

The wage levels which the Board recommends are the following.

TABLE I.—*Recommended scale of monthly wage levels of agency drivers and sorters based upon city size and area*<sup>1</sup>

City class	Northeast	Central-West	Southeast
Class 1:			
Drivers.....	\$350	\$335	\$320
Sorters.....	335	320	305
Class 2:			
Drivers.....	335	320	305
Sorters.....	320	305	290
Class 3:			
Drivers.....	320	305	290
Sorters.....	305	290	275

<sup>1</sup> Pacific coast cities are not here involved.

TABLE II.—*Recommended scale of monthly levels of agency drivers and sorters by cities*

	Driver	Sorter
Northeast:		
Class 1:		
Detroit.....	\$350	\$335
Pittsburgh.....	350	335
New York.....	( <sup>1</sup> )	335
Chicago.....	( <sup>1</sup> )	335
Class 2:		
Milwaukee.....	335	320
Cincinnati.....	( <sup>1</sup> )	320
Class 3: Toledo.....	320	<sup>2</sup> 307
Central-West:		
Class 1:		
Minneapolis-St. Paul.....	335	320
St. Louis.....	( <sup>1</sup> )	320
Class 2: Kansas City.....	320	<sup>2</sup> 311
Class 3: None.		
Southeast:		
Class 1: Washington, D. C.....	320	<sup>2</sup> 311
Class 2: New Orleans.....	<sup>2</sup> 307	<sup>2</sup> 282
Class 3: Memphis.....	<sup>2</sup> 302	<sup>2</sup> 295

<sup>1</sup> Not here involved.

<sup>2</sup> Existing rates.

The wage levels set forth in table II above are not intended to be either minima or maxima of rate ranges. Rather they are single wage levels which the parties should use to resolve their present wage inequity dispute.



As table II indicates, wherever the present wage level of a job is higher than the recommended level the present wage level should not be reduced.

Recommended increases which are \$8.50 per month, or less, should be put into effect on the thirtieth day following the date of this report. Recommended increases totaling more than \$8.50 per month should become effective as follows: an increase of \$8.50 per month should be put into effect on the thirtieth day following the date of this report, and the balance put into effect 180 days after the recommended effective date of the initial increase.

We recommend further, in view of the nature of this dispute that there be a moratorium in each instance set forth in table II upon demands for general increases or reductions in pay, for a period of 1 year from the date of this report.

#### **B. Suburban Areas**

These demands relate to wage rates in outlying sections of Long Island, N. Y., in Mt. Clemens-Pontiac, Mich., and in the area of Oakland, Calif. The Brotherhood asks that the rates in those areas be equalized with those in New York City, Detroit, and San Francisco, respectively, on the ground that the growth of these cities has, in effect, absorbed these outlying areas.

The localized and differing geographical conditions involved make the problem one which is within the especial competence of the parties to resolve. And consequently we remand these issues to the parties for negotiation.

However, insofar as these demands relate to the city of Oakland and to Oakland Pier there is substantial equity in the Brotherhood's demand. We recommend that the Agency review its position and negotiate an equitable adjustment.

### **Part II**

#### **DISCRIMINATORY RATES IN SOUTHEAST**

This dispute relates to platform employees in the southeastern area of the country.

It divides into two parts. The first relates to rates which are paid predominantly to Negro platform employees and which are less than the Agency's national minimum rate paid to white platform employees of \$273.75 per month, including the present cost-of-living "float" of 13 cents per hour. The second relates to differences in rates paid to white and Negro employees for work said to be identical or substantially similar.

### A. Subminimum Rates

Supplement 19 to General Order 27, issued by the United States Director General of Railroads, and to which we previously have referred, established a minimum rate of \$70 per month, effective January 1, 1919. By 1922 intervening increases had raised this rate to \$110 per month.

In 1922 the Agency's predecessor reduced wages in the southeastern section of the country. The employees affected were Negroes in substantially all, if not all, instances. These employees, who were then unorganized, were required as a condition of employment to agree individually in writing to those wage cuts. The wages of these employees were reduced from \$110 a month to \$75 a month.

Certain employees at Birmingham, Ala. protested to the United States Railroad Labor Board. That Board in Decision No. 2226, dated March 11, 1924, held that the reduction was unfair and was a violation of the Transportation Act of 1920. The Board directed that the reduction be rescinded and that the employees be reinstated and made whole. The decision, however, carried no sanction and was not obeyed. To this day, there are many Agency points in the Southeast where substantially all the platform employees are Negroes and are paid less than the Agency minimum rate paid to white platform employees. The Brotherhood has admitted Negroes to full membership since 1947, and asks that these subminimum rates be raised to the Agency's national minimum.

As a matter of justice, these rates which are below the Agency's national minimum of \$273.75 per month paid to white platform employees, should be raised to that minimum, and this whether the particular job is presently held by a Negro or by a white employee.

### B. Equal Pay for Equal Work

The Brotherhood complains that at certain Agency points in the Southeast, including Atlanta, Georgia, and Jacksonville, Fla., Negro platform employees who do work which is identical with, or substantially similar, to that done by white employees, receive lower wages than the white platform employees.

There is conflict in the evidence and the record is not sufficiently detailed to permit us to delineate the content of the jobs said to be identical or substantially similar. Certainly if the jobs are substantially similar in content the rates of pay should be the same, irrespective of whether the job is filled by a white employee or a Negro.

If the parties are unable to agree as to what constitutes substantially similar work, we recommend that the parties submit those dif-

ferences to arbitration. Meanwhile, and there should be some jobs upon which the parties can promptly agree, a Negro employee occupying a job substantially similar to that of a white employee should be paid the rate which the white employee receives.

The increases recommended in part A and part B of this part II of our report should be put into effect as follows. Where the total amount of the recommended increase is \$8.50 per month or less, it should be put into effect upon the thirtieth day following the date of this report. If it is more than \$8.50 per month, an increase of \$8.50 per month should be put into effect on the thirtieth day following the date of this report and the balance should be put into effect in two equal installments, the first installment to become effective on the one hundred eightieth day after the recommended effective date of the initial increase of \$8.50 per month and the second installment to become effective 180 days after the recommended effective date of the first installment.

Respectively submitted,

FRED W. MESSMORE, *Chairman.*

WILLIAM E. GRADY, JR., *Member.*

G. ALLEN DASH, JR., *Member.*

Dated: Washington, D. C., February 17, 1954.

