Mr. Boyd

Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

APPOINTED BY EXECUTIVE ORDER 10578 DATED NOVEMBER 23, 1954, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT, AS AMENDED

To investigate a dispute between the Baltimore and Ohio Railroad Company and certain other Carriers represented by the Eastern, Western and Southeastern Carriers' Conference Committees and certain of their employees represented by the Order of Railway Conductors and Brakemen.

(NMB Case No. A-4374)

CHICAGO, ILLINOIS

MARCH 25, 1955

(No. 109)

LETTER OF TRANSMITTAL

CHICAGO, ILL., *March 25, 1955.*

THE PRESIDENT,
The White House.

Mr. PRESIDENT: The Emergency Board appointed by your Executive Order 10578 of November 23, 1954, pursuant to Section 10 of the Railway Labor Act, to investigate a rules controversy involving 66 of the Class I railway systems of the country and certain of their employees represented by the Order of Railway Conductors and Brakemen, has the honor to submit herewith its report and recommendations based upon its investigation of the issues in dispute.

Respectfully submitted.

EDWARD M. SHARPE, *Chairman.*
CHARLES A. SPRAGUE, *Member.*
JOHN T. DUNLOP, *Member.*

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I. INTRODUCTION

Emergency Board No. 109 was created by Executive Order 10578 dated November 23, 1954, to investigate and report on the dispute between the Baltimore & Ohio Railroad Company, and certain other Carriers represented by the Eastern, Western, and Southeastern Carriers' Conference Committees, and certain of their employees represented by the Order of Railway Conductors and Brakemen. The dispute is identified as National Mediation Board Case A–4374.

Members of the Board appointed by President Dwight D. Eisenhower were:

Edward M. Sharpe, Chairman.
Charles A. Sprague, Member.
John T. Dunlop, Member.

In his letter of appointment the President wrote:

> The Board will organize and promptly investigate 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.

Pursuant to notice the matter came on for public hearing at 10:00 o'clock a. m., December 6, 1954, at the hearing room, 22d Floor, 32 West Randolph Street, Chicago, Illinois.

Ward and Paul, Washington, D. C., were appointed the official reporters of the proceedings.

Public hearings of the testimony and arguments in the case were held in 26 daily sessions which were concluded on February 24, 1955. Carriers' Brief was filed on February 24, 1955, and the summary statement of the Organization was filed on March 4, 1955. The length of time required for the proper handling of the case made it necessary to obtain three extensions of time, upon stipulation of the parties and approval of the President, to January 31, 1955; March 15, 1955; and April 1, 1955, respectively.

In the course of the hearings testimony was presented by 21 witnesses. The transcript of the record ran to 3,419 pages. The Order of Railway Conductors and Brakemen introduced 21 exhibits and the Carriers 62 exhibits. Copies of all this material have been deposited with the National Mediation Board.

II. HISTORY OF THE DISPUTE

The origin of the dispute which led to the appointment of Emergency Board No. 109 lies in the Proposition to Carriers submitted under date of March 15, 1949, by the Order of Railway Conductors [1] and the Brotherhood of Railroad Trainmen. Item 4 of that Proposition was as follows:

> Establishment of Graduated Rate of Pay Tables—All Classes of Service.
>
> The basic daily rates of pay for all classes and grades of road train service employees [2] and conductors (foremen) and brakemen (helpers) in yard service shall be established on a graduated basis so as to maintain the money differentials between train and yard service employees and engine employees.
>
> (NOTE.—This proposal intends that a formula will be adopted to provide a relationship between rates of pay and weight on drivers of the locomotive used during a tour of duty.) (Employees' Ex. 1, p. 2; Carriers' Ex. 11, p. 3.)

In Amended and Supplemental Proposals of the Organizations Item 4 was retained, and specific tables for graduation of standard basic daily rates of pay for train service crews in the several classes of service were submitted. (Carriers' Ex. 11, pp. 11–15.)

Carriers and the Organization were unable to agree on the Proposals and Counterproposals, and the 1949 movement initiated by the two Organizations culminated in the appointment of Emergency Board No. 81 on February 24, 1950. This Board filed its report on June 15, 1950. With respect to Item 4 the Board recommended that the request of the Organizations be withdrawn.

Following the report of that Board, Carriers and the Organizations resumed negotiations. A settlement was reached on a number of other items in dispute, and the Order of Railway Conductors in a letter dated May 20, 1952, signed by R. O. Hughes, President, notified the National Mediation Board and the several Chairmen of the Carriers' Conference Committees that it was withdrawing "without prejudice for future handling" "Item 4—Establishment of Graduated Rate of Pay Schedules—All Classes of Service."

On June 17, 1953, President R. O. Hughes of the ORC wrote the Chairmen of the Conference Committees that he had been instructed to resume handling of this item on Graduated Rate of Pay, and invited conferences with Carrier representatives on the subject. Carriers took the position that the item had been withdrawn on May 20, 1952, and under the moratorium agreement of May 23, 1952, the item could not be revived for negotiation prior to October 1, 1953. There-

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[1] The name of the Order of Railway Conductors was changed effective August 1, 1954, to "Order of Railway Conductors and Brakemen." In this text it will be referred to as ORC on matters prior to that date, and to ORC&B subsequent; or merely as the "Organization."

[2] In this report "train service employees" refers to conductors, brakemen, flagmen; and "engine service employees" to engineers and firemen.

upon, the ORC served notice on individual carriers, under date of July 10, 1953, formally requesting the establishment of "Graduated Rate of Pay Tables—All Classes of Service."

Failing to progress this proposal with Carriers the ORC notified the National Mediation Board, under date of August 25, 1953, of its intention to withdraw the service of employees represented by it on September 10, 1953, "on a railroad or railroads." The National Mediation Board docketed the case as A–4374. A conference between representatives of Carriers and the ORC led to a memorandum of agreement on procedure by which the notices of July 10, 1953, would be recognized by the Carriers as valid as of October 1, 1953.

Contemporaneously, the wage movement of 1953–54 was initialed by various railway organizations which led to certain agreements. Coincident with the signing of a wage agreement by representatives of the Carriers and the ORC, on February 5, 1954, a Memorandum "Re: Mediation Case No. A–4374" was signed by the parties. It provided:

> The undersigned, parties to the above dispute have received and have been giving consideration to the communication of January 30, 1954, from the Mediation Board.
>
> The parties to said dispute have this day entered into formal agreement with respect to certain general wage increases and vacation provisions.
>
> The said agreement does not dispose of Case A–4374 and mediation in said case shall be temporarily recessed by the National Mediation Board. Mediation shall thereafter be resumed under the provisions of the Railway Labor Act. The Mediation Board's letter of January 19, the letter of the Order of Railway Conductors of January 20, and the letter of the carriers of January 26, are hereby withdrawn.
>
> It is further understood that in reference to Case No. A–4374 the Carriers contend that because of the formal agreement of this date employees represented by the Order of Railway Conductors are not entitled to any further increase and that no inequity in their wage structure exists.
>
> It is also understood that the Order of Railway Conductors contends that an inequity still exists and should be corrected by establishing the Graduated Rate of Pay Tables or by some other means.
>
> It is therefore agreed that either party may urge their respective contentions in the further handling in mediation or otherwise of this case. (Employees' Ex. 1, p. 46; Carriers' Ex. 11, p. 169.)

Subsequent efforts of the National Mediation Board to obtain a settlement on the issue of "Graduated Rate of Pay Tables—All Classes of Service," did not succeed. On October 15, 1954, the National Mediation Board in letters to the Chairmen of Carriers' Conference Committees and the President of the Order of Railway Conductors and Brakemen requested and urged that the parties submit the dispute to arbitration. This was rejected by the Carriers on October 22, 1954, and by the ORC&B on October 23, 1954.

Thereupon, the National Mediation Board advised the President that in its judgment this dispute threatened substantially to interrupt

interstate commerce to a degree such as to deprive the country of essential transportation service. President Eisenhower, acting under the authority vested in him by Section 10 of the Railway Labor Act, as amended (45 USC 160), created this Emergency Board of three members to investigate the dispute and report its findings to him.

III. HISTORY OF GRADUATED RATES OF PAY FOR ENGINE SERVICE EMPLOYEES

The Organization seeks to extend the graduated rates of pay based on weight on drivers from engine service employees to conductors and brakemen. The parties in this proceeding have presented considerable evidence [3] on the history of graduated rates of pay, and the Board believes a brief summary of this record provides background essential to this case.

In the early stages of the development of American railroads train and engine service employees were generally paid on a straight-time basis, by the day or month, as was the prevailing practice in other industries. Subsequently, the trip rate system was introduced on a number of railroads under which road service employees received a particular rate for each specific run. Partly because of the lack of standardization in the trip rate method of payment, a straight mileage system gradually became prevalent. The straight mileage system was then replaced by the dual system of miles plus hours. The dual basis of pay developed first in freight service and particularly in irregular freight service before it was adopted in assigned freight service.[4]

The dual system of pay took no account of the greater effort and responsibility required of engine service employees as a consequence of the introduction of larger and more powerful locomotives. Both the engineer and fireman were faced with greater responsibility, and the fireman required greater physical effort to shovel sufficient coal to keep a full head of steam. Because the variations among locomotives were particularly pronounced with respect to the duties of firemen, graduated rates were applied earlier and spread more rapidly for firemen than for engineers. The graduated system of pay, to compensate enginemen for variations on different engines, first emerged at about the same time as the dual basis of pay in the 1880's. There was little uniformity in the method used to classify engines and to graduate rates of pay. By 1900 the following methods were being utilized: (1) Cylinder dimensions; (2) total weight; (3) tractive power; (4)

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[3] See, Employees' Exs. 3, 5, 7, 17, 18, 20; and Carriers' Exs. 34, 38, 39, 40, 41, 45.

[4] See, Report of the Eight-Hour Commission, Appendix VI (William Z. Ripley), Chapters II and III, "The Basis of Pay," pp. 275–87.

weight on drivers; and (5) local designations such as the name of the engine. In this early period, and generally before World War I, there were considerable variations in pay rules among different railroads.

The development of a uniform practice of graduated rates of pay for engine service employees was a very gradual one. In the 1907 agreement between the Engineers and the Western roads there was provided a graduated rate of pay in passenger service as follows:

> The minimum rate of pay in passenger service shall be on engines with cylinders under 18 inches in diameter, $3.75 per day of 100 miles or less.
>
> On engines having cylinders 18 inches and over in diameter, $4.00 per day of 100 miles or less.

The Western Firemen's Agreement contained substantially the same provisions, except for the wage rates.

In the 1910 wage movement, the firemen on the Western Railroads were awarded special rates for heavy power. In freight service the rate was to be $3.75 per 100 miles on engines weighing 215,000 pounds or more on drivers and on engines equipped with cylinders of 24 inches or more in diameter. In all classes of road service firemen on Mallet locomotives were to receive $4.00 per 100 miles. The 1910 agreement between the Engineers and the Western Carriers provided that a differential of 25 cents per day be applied to engines weighing 215,000 or more pounds on drivers and that a differential be applied on Mallet locomotives in all classes of service.

From the 1910 dispute between the Conductors and Trainmen and the Eastern roads in passenger service there evolved the dual basis of pay, overtime pay, a basic day and monthly guarantees for the passenger train service employees. In the East, during negotiations between the Carriers and the Conductors and Trainmen, the organizations requested a form of graduated rates for freight service. They proposed that they receive an increase of 15 percent for trains propelled by engines equipped with cylinders of 20 inches or less, and an additional 5 percent for engines with cylinders over that size; they also asked for one and one-half times the ordinary rate for service on freight trains attached to Mallet locomotives. The settlement of December 29, 1910, did not include any of these proposals.

That the Carriers accepted the principle of graduated rates of pay for engine service employees is indicated in the 1912 arbitration case between the Eastern roads and the Engineers. For both passenger and freight service the Engineers had proposed a uniform graduated system of pay based on cylinder dimension. The Carriers objected to the cylinder dimension as the basis for graduated rates of pay. In refusing to adopt the proposal of the Engineers, the Arbitration Board stated:

> That for different sizes of engines the rates should differ is agreed by both parties but there is no agreement regarding the basis of classification of engines. * * *

It was the Firemen who first obtained a comprehensive system of graduated rates based on weight on drivers. This Organization made the demand on the Eastern Carriers in 1913, and an Arbitration Board unanimously awarded the Firemen wage rates which were graduated upward, in both passenger and freight service, according to weight on drivers. In passenger service the Board established nine increments, with the maximum fixed for engines weighing 350,000 pounds on the drivers, and a still higher rate was provided for Mallets. In freight service there were eight brackets, ending at 300,000 pounds and the highest rate was applied to Mallets. In addition, two grades were fixed for yard service, with the break at 140,000 pounds. It should be noted that graduated rates were not requested for electric locomotives.

The train service employees in the East were also engaged in a wage movement of their own. (Arbitration Award, November 10, 1913, Carriers' Ex. 39, pp. 71–88.) No request for graduated rates was made. Counsel Wilmarth for the Organization stated concerning this 1913 award:

> Recognition, however, was given * * * for conductors and trainmen that there was increased responsibility to the conductor on longer trains and in that proceeding the conductors received a greater increase in pay by reason of this fact, and that is the last time. (Tr. 3177.)

The drive by the enginemen for uniform graduated rates turned to the West. Arbitration proceedings between the Western Railroads and the organizations representing the engineers and the firemen took place in 1914–15, during which proceedings the Engineers and Firemen jointly proposed a schedule of graduated rates based on weight on drivers in passenger and freight service and also proposed graduated rates for Mallet-type engines. On April 30, 1915, an award was rendered which granted both engineers and firemen a uniform scale of graduated rates based on weights on drivers, similar to that which previously had been awarded the firemen in the East.

Thus, by 1915, graduated rates for enginemen, based on weight on drivers was a fairly general practice. The Firemen had nine brackets for passenger service and eight brackets for freight service in both the East and the West. The Engineers had eight brackets for both passenger and freight service in the West only. In the Southeast territory there had been no arbitration proceedings relative to graduated rates for either firemen or engineers, and the general practice in that area was some graduation of rates based on cylinder dimensions.

On December 26, 1917, the Federal Government took control of the railroads. There was a widespread movement under way at the time for wage increases among the railroad employees, and on January 1, 1918, the Director-General of the Railroads issued General Order No. 27, which raised the wage rates without changing the existing pattern of gradations of wage rates based on size of engine. On January 1, 1919, under Supplement No. 15 to General Order No. 27, issued by the Director-General, graduated rates of pay for engineers and firemen were made general and uniform throughout the United States. In addition, Supplement No. 15 served to enlarge the scale of graduated rates based on weights on drivers for enginemen. For passenger service the number of increments was increased to twelve, and the maximum rates were paid for services rendered on locomotives weighing more than 500,000 pounds, rather than the previous maximum of 350,000 pounds; and in addition three grades were established for helpers on electric locomotives. For freight service the number of brackets were increased to nine, and the top bracket was increased from 300,000 pounds to 350,000 pounds; on Mallets two increments were created with a break at 275,000 pounds. For yard service six engine classifications were made, two of which were for Mallets, and the top bracket was established at 300,000 pounds.

Thus, by Government order, an elaborate system of graduated rates based on weights on drivers for enginemen was extended, for the first time, to all roads in all sections of the country. In Supplement No. 16 to General Order No. 27 the traditional flat rates were continued for Conductors and Trainmen.

The extension of the graduated wage scale for engine service employes by the Federal Government on January 1, 1919, arose from the introduction of heavier power. Thus an emergency board reviewing this 1919 experience in 1943 found that the extension in the weight brackets had evolved solely from the introduction of new and heavier power subsequent to 1913, when the previous maxima had been established. The 1943 Board stated:

> As a larger number of the heavier type locomotives were introduced the schedule was revised under Federal Control in 1919, at which time the present limits * * * were adopted.

The classifications of engines based on weights on drivers that were made by the Director-General of Railroads in 1919, when the carriers were under Federal control, remained unchanged until 1943, when the introduction of heavier power primarily in diesel form resulted in the Engineers and Firemen making a concerted drive to raise the maxima of the classifications.

The enginemen's demands in the 1940's for an extension of the 1919 graduated wage rate tables were part of the dispute centering upon the inauguration of diesel-electric power and steam locomotives of new design. The movement began in 1933, when the Engineers and Firemen on the Union Pacific proposed that locomotive engineers should be assigned as motormen, and locomotive firemen as helpers, on "all types of new motorcars of one or more units, electric or other motive power, which may be substituted for steam locomotives." They also asked that the highest steam rate be applied to enginemen so assigned. On November 1, 1933, the Engineers signed an agreement with the Union Pacific providing for a flat rate of pay for engineers assigned to "motorcars operated under train orders." A similar agreement was signed by the Firemen on November 17, 1933. These were the first of the so-called "Diesel Agreements." A year later, however, a new agreement was signed by the Firemen and the Union Pacific, which provided for graduated rates based on horsepower of the locomotive, and in 1936 graduated rates based on weights on drivers were made applicable to firemen employed on diesel locomotives.

As the use of diesel locomotives expanded during the 1930's, a series of similar agreements were made on various other roads, and the Firemen's Organization then sought a standard agreement with respect to firemen on all diesel locomotives. On February 28, 1937, such an agreement was signed, and in passenger service it provided that coal-burning locomotive rates were to apply to diesel helpers on all roads except those using oil-burning locomotives exclusively, in which case oil rates applied. In all other classes of service the rates applicable to electric helpers were to be used. Thus the first national agreement covering diesel helpers recognized and applied the principle of graduated rates based upon weights on drivers. Although the Engineers had no national agreement covering this subject at this time, agreements had been made on local properties which also applied weight on driver graduated rate tables to engineers assigned to diesel power.

The next significant event in the history of graduated rates was the proceedings before the Emergency Board in 1943. Among the many proposals regarding the diesel locomotives, the Engineers and Firemen also proposed that the total weight of the engine be used as a basis of classification of steam engines and that various classifications of horsepower be used in the classification of diesel-electric engines. The Carriers vigorously opposed the changes suggested, contending that the classification of engines according to weight on drivers or tractive effort was the most practical measure of the hauling capacity of all types of engines.

The Emergency Board recognized that since the rate schedule revisions under Federal control in 1919, locomotives of considerably heavier types had been introduced. The Board held that while these developments did not justify the abandonment of weight on drivers as a basis for determining basic wage rates, they did warrant "the extension of gradations beyond the present limits with a corresponding extension of wage brackets."

The first agreement following the report of the 1943 Emergency Board was entered into between the Firemen and the Eastern Carriers on August 13, 1943. The agreement followed the recommendations of the Emergency Board in providing for a rate increment for every 50,000 pounds on drivers, with no upper limit, but went in excess of the recommendations with reference to the amount of rate increment for each weight classification of engine. The weight on driver graduated rates of pay schedules which were adopted in that agreement are currently in effect, except for the uniform wage adjustments that have been made in the rates of pay since the date of the agreement.

The Firemen and the Western Carriers made substantially the same agreement on November 27, 1943, and the Firemen and the Southeastern Carriers followed the pattern in an agreement signed May 11, 1944.

Following the report of the 1943 Emergency Board, the Engineers made an agreement with the Western Carriers on January 15, 1944, and with minor differences this agreement followed rate schedules of the Firemen. Again, the key aspect of the agreement was the extension of the weight brackets, with no top limit, to the graduated rate of pay schedules. The Engineers and the Eastern Carriers signed a similar agreement on December 20, 1944, and on April 3, 1945, a similar agreement was reached with the Southeastern Carriers.

The only change which has occurred in the graduated schedules since the 1943–45 agreements occurred on May 17, 1950, when the oil and electric differentials were eliminated by agreement between the Carriers and the Firemen. Graduated rate tables then became applicable to engineers and firemen on all types of motive power, whether the engines be coal, or oil-burning, diesel-electric, or electric.

As indicative of the types of changes that have taken place since the Federal Government standardized for enginemen the graduated rates based on weight on drivers, Tables 1–3 show the basic daily rates of engineers, firemen, and conductors in through-freight service, as of January 1, 1919, as of 1943–44, and as of December 16, 1953. The single rate of the conductors is included for each period to show the relative position of the conductor.

TABLE 1.—*Basic daily rates of engineers, firemen, and conductors, in through freight service*

JAN. 1, 1919

	Engineers	Firemen	Conductors
Less than 80,000	$6.08	$4.24	$5.40
80,000 to 100,000	6.16	4.32	5.40
100,000 to 140,000	6.24	4.48	5.40
140,000	6.48	4.64	5.40
170,000	6.64	4.80	5.40
200,000	6.80	[1] 4.96	5.40
250,000	6.94	5.12	5.40
300,000	7.08	5.37	5.40
350,000	7.28	5.44	5.40
400,000	7.28	5.44	5.40
450,000	7.28	5.44	5.40
500,000	7.28	5.44	5.40
550,000	7.28	5.44	5.40
600,000	7.28	5.44	5.40
650,000	7.28	5.44	5.40
700,000	7.28	5.44	5.40
750,000	7.28	5.44	5.40
800,000	7.28	5.44	5.40
850,000	7.28	5.44	5.40
900,000	7.28	5.44	5.40
950,000 to 1,000,000	7.28	5.44	5.40

[1] In West this rate is $4.97.

Source: Carriers' Ex. 15, p. 2; 16, p. 2; 17, p. 2.

TABLE 2.—*Basic daily rates of engineers, firemen, and conductors in through freight service*

1943–44 SETTLEMENTS

	Engineers [1] [3]	Firemen [2] [3]	Conductors [4]
Less than 80,000	$9.27	$7.30	$8.54
80,000 to 100,000	9.36	7.38	8.54
100,000 to 140,000	9.45	7.55	8.54
140,000	9.70	7.73	8.54
170,000	9.88	7.90	8.54
200,000	10.05	8.07	8.54
250,000	10.20	8.24	8.54
300,000	10.35	8.51	8.54
350,000	10.56	8.59	8.54
400,000	10.77	8.75	8.54
450,000	10.98	8.91	8.54
500,000	11.19	9.07	8.54
550,000	11.37	9.23	8.54
600,000	11.55	9.39	8.54
650,000	11.73	9.55	8.54
700,000	11.91	9.71	8.54
750,000	12.09	9.87	8.54
800,000	12.27	10.03	8.54
850,000	12.45	10.19	8.54
900,000	12.63	10.35	8.54
950,000 to 1,000,000	12.81	10.51	8.54

[1] With 18 cents added for each additional 50,000 pounds or fraction thereof.
[2] With 16 cents added for each additional 50,000 pounds or fraction thereof.
[3] Steam locomotives of the 4–8–4 and 2–10–4 type to be reclassified for pay purposes by being moved into the next higher wage bracket.
[4] In West this rate is $8.48.

Source: Carriers' Ex. 16, p. 2–A; 17, p. 2–A; 15, p. 2.

TABLE 3.—*Basic daily rates of engineers, firemen, and conductors in through freight service*

Dec. 16, 1953

	Engineers [1] [3]	Firemen [1] [3]	Conductors [4]
Less than 80,000	$15.73	$13.83	$14.82
80,000 to 100,000	15.73	13.83	14.82
100,000 to 140,000	15.73	13.83	14.82
140,000	16.16	14.18	14.82
170,000	16.16	14.18	14.82
200,000	16.33	14.35	14.82
250,000	16.48	14.52	14.82
300,000	16.63	14.79	14.82
350,000	16.84	14.87	14.82
400,000	17.05	15.03	14.82
450,000	17.26	15.19	14.82
500,000	17.47	15.35	14.82
550,000	17.65	15.51	14.82
600,000	17.83	15.67	14.82
650,000	18.01	15.83	14.82
700,000	18.19	15.99	14.82
750,000	18.37	16.15	14.82
800,000	18.55	16.31	14.82
850,000	18.73	16.47	14.82
900,000	18.91	16.63	14.82
950,000 to 1,000,000	19.09	16.79	14.82

[1] With 18 cents added for each additional 50,000 pounds or fraction thereof.
[2] With 16 cents added for each additional 50,000 pounds or fraction thereof.
[3] Steam locomotives of the 4-8-4 and 2-10-4 type to be reclassified for pay purposes by being moved into the next higher wage bracket.
[4] In West this rate is $14.76.

Source: Carriers' Ex. 2; Employees' Ex. 2.

IV. POSITION OF ORGANIZATION

In this proceeding the Order of Conductors and Brakemen seeks to restore the dollars and cents differentials between the train crew and engine crew in the average basic daily rates of pay which existed in 1922, and to preserve them for the future. The method proposed is to incorporate in the wage structure of train service employees a graduated rate of pay based on weight on drivers of locomotives.

The present daily and mileage rates would serve as the base, and increments therefrom would duplicate those now employed in the graduated scale for engineers. Existing daily and monthly guarantees for employees would be preserved, as well as other rules affecting compensation. Any conflict arising in applying the rate schedule in special services would be settled by negotiation between the parties.

The Organization proposed the following for adoption as the Graduated Rate of Pay Tables for all classes of service which it represents.

TABLE 4.—*Proposed standard basic daily rates (graduated basis of pay)*

CONDUCTORS

Classification of locomotive (weight on drivers) (000 pounds)	Through freight [1]	Local and way freight [1]	Passenger [2]	Yard [1]
Less than 100	$14.82	$15.38	$15.40	$17.03
100–140	14.82	15.38	15.49	17.03
140–170	15.25	15.81	15.57	17.46
170–200	15.25	15.81	15.66	17.46
200–250	15.42	15.98	15.75	17.63
250–300	15.57	16.13	15.83	17.78
300–350	15.72	16.28	15.92	17.93
350–400	15.93	16.49	16.00	18.14
400–450	16.14	16.70	16.09	18.35
450–500	16.35	16.91	16.18	18.56
500–550	16.56	17.12	16.26	18.77
550–600	16.74	17.30	16.35	18.95
600–650	16.92	17.48	16.43	19.13
650–700	17.10	17.66	16.52	19.31
700–750	17.28	17.84	16.60	19.49
750–800	17.46	18.02	16.69	19.67
800–850	17.64	18.20	16.77	19.85
850–900	17.82	18.38	16.86	20.03
900–950	18.00	18.56	16.94	20.21
950–1000	18.18	18.74	17.03	20.39

[1] With 18 cents added for each additional 50,000 pounds or fraction thereof.
[2] With 8 cents and 9 cents alternately added for each additional 50,000 pounds or fraction thereof.

NOTE.—Western rates, because of the doubleheader rule, are lower than the Eastern and Southeastern rates quoted above. In Through Freight Service 6 cents, Local 7 cents, and Passenger 6 cents.

Source: Employees' Ex. 2, p. 3.

TABLE 5.—*Proposed standard basic daily rates (graduated basis of pay)*

BRAKEMEN

Classification of locomotive (weight on drivers) (000 pounds)	Through freight [1]	Local and way freight [1]	Passenger [2]	Yard [1]
Less than 100	$13.40	$13.83	$13.25	$16.18
100–140	13.40	13.83	13.34	16.18
140–170	13.83	14.26	13.42	16.61
170–200	13.83	14.26	13.51	16.61
200–250	14.00	14.43	13.60	16.78
250–300	14.15	14.58	13.68	16.93
300–350	14.30	14.73	13.77	17.08
350–400	14.51	14.94	13.85	17.29
400–450	14.72	15.15	13.94	17.50
450–500	14.93	15.36	14.03	17.71
500–550	15.14	15.57	14.11	17.92
550–600	15.32	15.75	14.20	18.10
600–650	15.50	15.93	14.28	18.28
650–700	15.68	16.11	14.37	18.46
700–750	15.86	16.29	14.45	18.64
750–800	16.04	16.47	14.54	18.82
800–850	16.22	16.65	14.62	19.00
850–900	16.40	16.83	14.71	19.18
900–950	16.58	17.01	14.79	19.36
950–1,000	16.76	17.19	14.88	19.54

[1] With 18 cents added for each additional 50,000 pounds or fraction thereof.
[2] With 8 cents and 9 cents alternately added for each additional 50,000 pounds or fraction thereof.

NOTE.—Western rates, because of the doubleheader rule, are lower than the Eastern and Southeastern rates quoted above. In Through Freight Service 5 cents, Local 5 cents, and Passenger 4 cents.

Source: Employees' Ex. 2, p. 4.

While the tables include schedules for employees in yard service, in the course of the hearings spokesmen for the Organization disclaimed representation of "any yardmen's craft as such." (Testimony of President Hughes, Tr. 317–8; Statement of Counsel Wilmarth, Tr. 3159, 3162.)

A proposed graduated rates of pay table for Mallet-type locomotives was introduced (Employees' Ex. 6), but it was subsequently withdrawn as a demand by the Organization. (Tr. 1047.)

The basis for the demand is:

First, the unfavorable trend in wage relations between conductors and engineers and conductors and firemen, which derives primarily from the enjoyment by engine service employees of a graduated pay schedule based on weight on drivers of the locomotive used. This trend has been sharply accentuated by the advent of the diesel engine whose units when operated in tandem greatly augment the power of the locomotive. The upward extension of the graduated rate of pay tables in 1943–45 resulted in a sharp increase in the average basic daily rate of pay of the engine crew and increased the disparity in their wages with those of the train service crew.

Second, the lengthening of trains associated with the use of heavier power has added greatly to the work assignment of the train crew, and to the productivity of the joint efforts of road operating employees. These factors entitle the train service employees to a graduated pay schedule, the same as engine service employees.

(1) An Inequity Exists

For a long period of years the four road operating crafts have had a dual basis of pay: A given number of miles run constituting the "basic day" with pay computed at a mileage rate. Here is a sample of the basic day rule:

> One Hundred (100) miles or less, eight (8) hours or less (straightaway or turnaround) shall constitute a day's work; miles in excess of one hundred (100) will be paid for at the mileage rates provided. (Employees' Ex. 20, p. 3.)

To this rule in the case of contracts with engineers and firemen these words are added, "according to class of engine."

This provision establishes a graduated rate of pay for engine service employees based on weight on drivers of locomotives used, the mileage rate advancing with the increase in locomotive power. With the great advance in power of locomotives in recent years the average basic daily rate of pay for engine service employees has steadily increased while the rates of pay of train service employees have been held at a single rate. All crafts in road service have received the same amounts by way of general wage increases; and engineers and firemen have enjoyed the additional benefit deriving from their graduated rate of pay schedule.

Statistical evidence of the unfavorable trend in this wage relationship, specifically between conductors and engineers and between conductors and firemen, was introduced in Employees' Exhibit 11 from which the following figures are taken:

TABLE 6.—*Average basic daily rates, 1922–June 1954*

	1922	1942	June 1954
PASSENGER SERVICE			
Conductors	$6.51	$8.52	$15.71
Engineers	6.88	8.15	15.59
Firemen	5.33	6.57	13.95
THROUGH FREIGHT SERVICE			
Conductors	$5.92	$7.85	$14.94
Engineers	7.27	9.52	17.86
Firemen	5.41	7.50	15.69
LOCAL AND WAY FREIGHT SERVICE			
Conductors	$6.35	$8.43	$15.47
Engineers	7.40	9.73	17.42
Firemen	5.47	7.64	15.27

E. L. Oliver, economist, testifying for the Organization, noted two revolutions in power used in train service, the first in the 1920's following World War I, and the second following the depression of the 1930's when the diesel engine came into service. Its use was greatly accelerated in the years after World War II. Ability to link diesel units together added greatly to the aggregate power of the locomotive. (Employees' Ex. 4, pp. 2–7; Tr. 159–177.)

The advantage in pay accruing to the engine crew from the increase in heavier power was extended through the removal in 1944–45 of the maximum limitations that had been unchanged since 1919.

TABLE 7.—*Differentials in average basic daily rates*

[From Employees' Ex. 11]

Year	Passenger service		Through freight service		Local and way freight service	
	Conductor over engineer	Conductor over fireman	Engineer over conductor	Conductor over fireman	Engineer over conductor	Conductor over fireman
1922	$0.39	$1.91	$1.35	$0.51	$1.05	$0.88
1936	.39	1.94	1.64	.35	1.31	.78
1942	.37	1.95	1.68	.34	1.30	.79
1949	.20	1.79	2.21	−.12	1.55	.58
1950	.19	1.79	2.32	−.23	1.60	.53
1951	.40	2.01	2.24	−.13	1.46	.69
1952	.15	1.79	2.62	−.46	1.77	.41
1953	.10	1.70	2.76	−.61	1.86	.30
June 1954	.12	1.76	2.92	−.75	1.95	.20

Organization witnesses declared the increasingly adverse differentials against conductors and brakemen (whose wage is closely related to that of the conductor) accelerated in recent years by the almost complete dieselization of railway motive power create a grave in-

equity against conductors and brakemen. They predict it will grow worse as engine power increases unless there is such a correction as they propose.

President HUGHES. It was not until the latest revolution in railway operations, marked by great increases in motive power and by much longer and heavier trains, that the traditional wage relationships was upset. When that last great change occurred, beginning in the late thirties, engineers and firemen sought and in 1943 obtained a fundamental change in their graduated wage scale. That change, without modifying the basic minimum rates, provided substantial increases whenever the heavier power was used by any carrier.

The technological change in railway operations, continuing since that date, has seen the almost complete dieselization of the railway system. Engineers and firemen, when working on combinations of these diesel locomotive units, and normally pulling longer and heavier trains than the enginemen of twenty years ago would have thought possible, are paid higher wages.

The railway conductor on those same trains, with the same responsibility as he has always had—now greatly increased as the train weight and length has grown—has received no recognition whatever for that increased duty and responsibility. (Tr. 327.)

Specific illustrations were given of this alleged inequity. For example, Conductor W. R. Lawson on the Raleigh-Charlotte run in through freight service on the Seaboard Air Line Railroad was paid in October 1953, $542.27, while the fireman on the same run made $601.53, and the engineer, $686.30. Had the former graduation table prevailed the fireman would have been paid $506.59, and the engineer $620.09. Thus as a result of the 1943 extension of the graduation table Conductor Lawson found that whereas before he had earned $35 a month more than the fireman, afterwards he was making $50 a month less; and the excess of the engineer's pay over the conductor's was increased by $66. (Employees' Ex. 9, Tr. 3184–5.)

The resentment is the more acute because the road crew operates as a team. They work on the same train, cover the same distance in the same period of time. The output of transportation service is the result of their joint efforts. The close association of the road crews and their definite demarcation from other railroad employees make them a unit in which wage relationships among the several crafts are of vital and sensitive importance. The adoption of a graduated rate of pay table based on weight on drivers of locomotives will remove the inequity and restore traditional wage relationships. (Tr. 344–351.)

President HUGHES. I want to make it abundantly clear that it is impossible for me to overstate the concern of our men with respect to the issue of a graduated rate of pay. Never in my experience as a representative of conductors and brakemen have I witnessed a rank and file reaction such as is prevalent in this dispute. Road conductors and road brakemen have insisted that this issue must be settled before harmonious labor relations can exist on the railroads of this country. (Tr. 329.)

Particular protest was made against the displacement of the conductor on the traditional ladder of compensation. Whereas traditionally pay levels moved upward from brakeman to fireman, to conductor, to engineer, now in through freight service the fireman is ahead of the conductor on average basic daily rate of pay. (Tr. 326, 328, 505.)

The Organization disclaimed any desire to have the conductor's rate of pay exceed that of the engineer, and granted that some adjustment of the proposed schedule would be required to prevent the pay of brakemen from exceeding that of firemen. (Tr. 346, 499.)

(2) Added Length of Trains Justifies Graduated Pay Scale for Train Service Employees

The steady increase in locomotive power has resulted in the lengthening of trains. Longer trains increase the work and responsibility of members of the train crew. Failure to pay additional compensation for the added work load constitutes another inequity to train service workers. (Employee's Ex. 4.)

E. L. OLIVER. In this situation the inequity from the standpoint of the conductors is a real one, and a serious one—that employees are being required now to operate much longer trains under much more difficult conditions at the same wage as the men who are handling trains of formerly standard length, and among the conductors that is an inequity; it becomes an inequity partly because the principle of a graduated wage scale has not only been recognized but has been extended. (Tr. 294.)

I should say that that is the central point of the inequity. It is that the conductor is not paid for a much greater effort involved in the much longer trains that can now be operated under the new power conditions and are operated, that inequity as regards the internal situation even is intensified by the fact that these men know the principle of the graduated wage scale has been accepted. (Tr. 295.)

The increase in work, responsibility, and hazard of members of the train service crew in the operation of longer trains was described by seven witnesses for the Organization who are presently employed as conductors or brakemen. The following summarizes the testimony on this point:

(*a*) Additional clerical work for writing up wheel and other reports. Each car must be listed by name, number, contents, origin and destination. Pickups, setouts and bad order cars must be reported.

(*b*) More cars increase the danger of mechanical failures such as hotboxes, break-in-twos, knuckle breaks, dropped brakebars and drawbars, which call for prompt attention of train crew.

(*c*) More labor in inspection, particularly walking inspection.

(*d*) Greater difficulty in train observation for running inspection.

(*e*) Communication and signalling between men at opposite ends of train are more difficult.

(*f*) Greater care required in stopping train by operation of valve in caboose.

(*g*) Increase in hazards to train crew; greater chance for accidents with long trains resulting in serious injury at times to members of train crew.

Particular stress was laid on the danger to trainmen from slack action. Conductors testified that it increased with the length of the train and was a serious hazard. Statistics were introduced showing that accidents to trainmen have increased rapidly in recent years, coincident with the increase in train length. (Employees' Ex. 13, p. 5; 15, p. 47.)

(*h*) More cars to supervise as to doors, seals, contents and special treatment for special cargoes.

(*i*) Greater responsibility; more people on long passenger trains. Property value of cars and contents greatly increased with longer freight trains. Pressure for making fast schedules add to anxiety of train crew for satisfactory performance of duty. (Employees' Ex. 17, pp. 70, 76, 96; 13, pp. 1–7; 15, pp. 47–52; 30, pp. 162, 180; Tr. 623–758.)

(3) Role of the Conductor

The conductor is the superior officer on the train. All persons employed on the train are subject to his instructions. He is held responsible not only for knowledge of the rules covering his particular duties, but also for knowledge of the rules governing the duties of all other members of the operating crew; and it is his responsibility to see that they properly discharge their duties. The conductor must take charge in any emergency. He is the railroad employee in direct contact with the general public in both passenger and freight service. (Employees' Ex. 17, p. 59; 19; Carriers' Ex. 30; Tr. 319–321; 536–7; 623–40; 730–763.)

The responsibility of the conductor to Carriers and to the public increases with his handling of heavier and longer trains at higher rates of speed. He is under greater nervous strain as he realizes that the safety of more persons and the protection of more valuable cargo in freight service depend in large degree on his vigilance and exercise of authority. The Organization insists that he should be compensated therefor on a graduated scale.

(4) Injury to Morale of Employees Also Calls for Removal of Inequity

Failure of the Carriers to give equitable treatment in pay of all road service employees has greatly impaired the morale of the train

service crafts. They feel they have been discriminated against. This in turn damages the Carriers in their public relations.

President HUGHES. I do not think it need be emphasized to this Board that railroad men working close to each other and as members of a train operating crew over a period of many years would be acutely conscious of their respective wage relationships. They would not be human or normal if they did not immediately resent any large distortion in their wage position in respect to each other. They would not be human or normal if acute unrest did not immediately develop in consequence of any substantial distortion of a long-standing wage relationship. (Tr. 325–6.)

Mr. OLIVER. But this one change which the carrier made in 1944, 1943–44 movement, resulted in so wide a gap opening up, that the discontent had begun and was already considerable, became actually, as you know from the history of this dispute, explosive, I think it would have been part of wise personnel management not to allow that to become explosive, particularly because you have here a group that is so much in contact with the public. They are not only the controlling group in the train crew, but they are the very large part of the contact of this industry with the public. The railroads should have gone, I think, a long way to avoid building that sense of injustice. (Tr. 1111.)

(5) Train Crew Should Share in Increased Productivity

The following statistics taken from Employees' Ex. 10, pp. 8, 11, show how the pay load of trains—tonnage and passengers carried—has paralleled the increase in locomotive power and length of train.

TABLE 8.—*Changes in engine power (bracket closest to average of basic daily rates paid engineer)*

[In thousands of pounds]

Year	Through freight service	Local and way freight service	Number cars in train	Gross tons per train	Engine power passenger service	Cars in train	Number passengers
1922	200–250	140–170	37.5	1,464	140–170	6.4	64.9
1942	300–350	200–250	51.8	2,277	200–250	9.15	125.5
1949	400–450	250–300	56.8	2,534	300–350	9.78	92.3
1954, June	600–650	350–400	65.4	2,934	450–500	10.34	100.2

The graduated rate of pay schedule permits the engineer and fireman to share in the increase in output of the longer trains pulled by heavier power. Members of the train service crew insist they are entitled to similar consideration. E. L. Oliver for the Organization testified that in recent years, at least, the engine crewmen:

* * * based their requests principally on the matter of increasing output and the increasing responsibility going with the increased output. (Tr. 223.)

The operation of a train over the road is a joint effort of all the crafts in road service. Mr. Oliver testified:

Their product, whatever it may be, is a joint product, and you cannot separate out what proportion of that total product is due to the work of the conductor,

what proportion is due to the work of the engineer. It is a joint, single, combined product. (Tr. 1106.)

(6) Graduated Rate of Pay Tables Based on Weight on Drivers of Locomotives Are Proper for Train Service Employees

Adoption of the weight on drivers formula for graduation of pay rates of train crews is urged on the ground that it is presently in use, is known and understood, and is easily computed.

The weight on drivers formula, being the accurate index of the power of the locomotive, is a reliable index of train length because on the average train length increases with heavier power. Since the job content, responsibility and productivity of train crews vary directly with train length, the use of the weight on drivers table is practical for graduating the compensation of train service employees.

The establishment of the weight on drivers formula for train service employees would remove the existing inequity which they suffer, restore and preserve traditional wage relationships with the engine service employees.

No alternative that has been suggested is as accurate and as practical and suitable as the one proposed.

(7) Answers to Carrier Objections

(*a*) The so-called pattern settlement limiting wage adjustments to uniform treatment of all classes of employees would deny, in the view of the Carriers, special concessions to one group or craft on the ground that it would upset the wage structure of the entire industry, and would restrict correction of inequities to those generally recognized as such throughout the industry. (Argument of Counsel Hickman, for the Carriers, Tr. 3259–3283.)

The Organization's position is that the extension of the graduated rate of pay tables for engineers and firemen in 1943–45 was a special concession which made a breach in the pattern principle and created an inequity which calls for immediate correction. Witness E. L. Oliver cited instances where special adjustments in pay and other rules were made independent of so-called pattern settlements. (Employees' Ex. 4, pp. 28–38; Tr. 190–231).

(*b*) Percentage differentials.

Percentage comparisons of average basic daily rates of pay and other earnings are irrelevant in this proceeding for the reason that wage progressions in the railway industry have been almost uniformly by the dollars-and-cents method and not by percentages. Tr. 337–8; 2893–2900.)

(*c*) Annual earnings are not a fair and accurate basis of comparison of wages of train service and engine service employees. They reflect

other factors, particularly the hours and miles paid for. As a rule, members of the train crew work more hours and run more miles in a month or year than do the engine crew, so they are producing more transportation for which they are compensated under prevailing pay rules.

President HUGHES. The average mileage, I believe, of our conductors, as I know the record, indicates that the total mileage that they make is in excess of the total mileage made by enginemen, which means they have run more miles; they have delivered more transportation each month, and we don't believe they should be penalized because their take-home pay has been maintained by more work, in relationship with the engineer; so using the average rates, I believe we have a more fair basis for determining the relationship between the conductor and his engineer. (Tr. 507.)

Comparisons of total number of hours paid for show that in 1953 conductors in passenger service received pay for 3,469 hours and engineers for 2,905 hours, the excess for the former being 564 hours.

In freight service in 1953 conductors were paid for 3,456 hours, which was 302 hours more than for engineers. On a mileage basis comparisons show that in 1953 conductors were paid for 14,538 miles in excess of engineers in passenger service and were paid for 3,316 miles more than engineers in freight service. (Employees' Ex. 15, pp. 5–6; Tr. 2891–2.)

(*d*) Inability to Pay Increases.

Carriers plead inability to pay the increased wages that would follow the adoption of the proposed graduated rate of pay table for train service employees. This is not a relevant issue because what is proposed is a correction of an existing wage inequity. Moreover, testimony of the Organization's witness, Winfield M. Homer, economist, was to the effect that the basic capital structure of the railroad [illegible]try is sound; that earnings have been at high levels—the highest [illegible]ry in 1953—with a total net income for Class I Carriers of $903,2[illegible]00.

He f[illegible]her testified that the decline in traffic, revenues and net earnings in [illegible]954 had proved only temporary and that a recovery was under w[illegible], in 1955. (Employees' Ex. 14, pp. 4–30; and 17, pp. 107–8; Tr. 2320[illegible]2323; 2864–2883.)

V. POSITION OF CARRIERS

It is the position of the Carriers concerning the proposals of the Organization:

(*a*) That no inequity exists in the pay relationship of train service and engine service employees.

(*b*) That a graduated rate of pay based on weight on drivers of locomotives is not suitable for train and yard service employees.

(1) No Inequity Exists

Carriers deny that the disparity in average basic daily rates of pay among train service and engine service employees constitutes any inequity. Pay structures have been built over the years to compensate properly each classification of employees in accordance with the skill, effort, and responsibility required of each. Use of the graduated rate of pay tables based on weight on drivers in the pay structure of the engine crew derivers from the special and peculiar duties of the engineer and fireman which are wholly unrelated to the duties and responsibilities of train service workers. Both groups have enjoyed the same general wage increases over the years.

(*a*) Comparisons of Wages.

Carriers contend that the Organization errs in confining its comparisons almost exclusively to average basic daily rates of pay. Carriers submit that comparisons of percentage differentials, average hourly earnings for hours worked and annual earnings should also be made. These comparisons, say Carriers, show much more favorable wage relationships between train and engine service employees than does the Organization's Exhibit 11.

There is no traditional ladder of compensation among road operating employees, in opinion of Carriers. As early as 1915 firemen on the heaviest locomotives had a higher average basic daily rate of pay than did the conductors. By 1922 on the heavier locomotives the spread in favor of firemen over conductors had increased. (Carriers' Exs. 20, 21.)

In this connection the Carriers show that the average earnings of road conductors per month and per hour worked exceed those of all other classes of railroad employees other than those of engineers and the higher officials of the railroad company. The average earnings of road conductors are nearly $600 per month and road brakemen average $475 per month. Passenger service employees work only 36 hours per week, while through freight train service employees work only 29 hours per week. It is also urged that constructive allowances account for 10 to 20 percent of the total earnings of train service employees.

Passenger service conductors are paid $3.84 per hour actually worked. Through freight service conductors are paid $3.72 per hour actually worked, while brakemen, flagmen, and baggagemen in passenger and through freight service are paid from $3.29 to $3.57 per hour, moreover, train service employees have received greater increases in earnings than the increases in earnings in most other classes of railroad employees.

The Organization fails to make any comparison of the wage rates

and earnings of train service employees and employee groups other than the engine crew. Carriers urge that they are relevant and offer such comparisons in Carriers' Ex. 18, p. 14, which show:

The average annual earnings—"take home pay"—of conductors in 1953 was $6,237. Those earnings exceeded the average annual earnings of all but five other classes of supervisory employees with earnings of over $2,000. These were the classes of dispatchers and yardmasters. Of the 1,073,529 railroad employees only approximately 47,571 (4.43 percent) receive average monthly compensation in excess of that of conductors. (Carriers' Brief, p. 61.)

(*b*) Principle of the Differential.

The Carriers dispute the "principle of the differential" as advanced by the Organization. This would require the restoration of exact money wage relationships among engine and train crafts as existed in 1922. This, say Carriers, assumes that the original relationships were fair, and that no changes have occurred subsequently in the relative skill and work requirements of the job. (Tr. 506–508; 528; 538.) Carriers submit that there are some 15,000 wage relationships within the railroad industry; and it is both impractical and unfair to select particular groupings for rigid association. Special changes cannot be made, as here proposed, without upsetting the whole complex pattern of wage relationships. H. E. Greer, statistician, testifying for the Carriers, said:

> Well, I think that to make any lasting settlement of a dispute involving differentials, you are going to have to make a major operation, and we can't do it in steps or pieces. (Tr. 1536.)

In the list of seven factors to consider in determining fair wages as set forth in Section 307 (d) of the Transportation Act of 1920—inequalities of increases in wages or treatment"—is only one, the seventh (Carriers' Ex. 14, p. 1); and its weight was sharply discounted by the testimony of L. E. Sheppard, when he was president of the ORC, before the U. S. Railway Labor Board in 1922. (Carriers' Ex. 14, p. 4; Tr. 1403–4.)

Carriers also insist that differentials should be altered only for compelling reasons generally accepted throughout the industry.

(*c*) Proposal Would Create New Inequities.

The proposal of the Organization, in the opinion of the Carriers, would create new and serious inequities if it were adopted. It would create distortions with respect to yard crafts. (Carriers' Ex. 14, p. 8.) It would give conductors in through freight service greater weekly, monthly and annual earnings than engineers; and earnings of brakemen would exceed those of firemen. (*Ibid.*, p. 3.) Moreover, it would give the highest increases to the train service workers who have the easiest jobs and work the shortest number of hours—those in through

freight service, because trains drawn by heaviest power work in that service. It is the shorter trains in local and way freight service which impose the heavier work load on engine and service crews, as is proven by the fact that these workers have the highest mileage rate of pay of any of the classes of service.

Wage comparisons are not dependable unless they take into consideration all of the pay rules of a given craft. Each has its own structure. For example, the basic day of the engine crew in passenger service is 100 miles or less; of the train crew 150 miles or less. Train service employees in passenger service enjoy daily and monthly wage guarantees which the engine crew do not have. In all classes of service, the engine crew works under a monthly mileage limitation whereas train service crews either have none or a higher limitation. Constructive allowances differ with each craft. (Carriers' Ex. 10, 12; Tr. 1373–97.)

The Carriers allege that the Organization would seize a pay rule out of the wage structure of the engine crew for the benefit of its members, regardless of the fact that the wage structures of each have been developed out of the long history of the industry. Every wage board or official agency since 1913 which has reviewed the wage structure of operating crafts has confirmed the principle of a graduated rate schedule based on power of the locomotive for engineers and firemen; and everyone has confirmed the principle of a single rate of pay for train service employees. Emergency Board No. 81 rejected the proposal of this Organization and the Brotherhood of Railroad Trainmen for establishment of this graduation schedule, and the BRT, which represents a larger proportion of train service employees, is no longer associated in this demand. (Carriers' Exs. 4, 10, 11, 12, 38, 39.)

(2) Weight on Drivers Bears No Close Relationship to the Length of Trains

Carriers deny that there is any close relationship of weight on drivers of the locomotive and the length of the train, and thus declare that the major premise of the conductors' case is false. It is admitted that there is a "loose relationship" which may be observable on a single division or district, but no consistent relation for the railroads of the country. Carriers state that the increase in average length of trains has been continuous since the beginning of the industry. Many factors other than power have contributed to this progress: Reduction in grades, elimination or reduction of curves, improvement of equipment, extension of sidings, rebuilding of yards, improvement in locomotive design; and more recently elimination of many branch lines formerly served by short trains, dropping or consolidation of short trains.

Factors other than loading an engine to capacity affect decisions as

to train length and use of given locomotives on particular trains. Among them are: Necessity of maintaining high speed to meet competition; availability of tonnage, weather conditions; availability of diesel units; movement of diesel locomotives in long cycles in which the consist of the train may vary widely; shifting of units to maintain balance of motive power.

Carriers put great emphasis on the speed factor: Diesel units are added to provide ample power to enable trains to maintain fast schedules. Competition of motor vehicles and airplanes forces railroads to use every possible means to reduce time in train movement.

John M. Budd, President of the Great Northern Railway Company, testified (Tr. 2643):

> There was a decided change in the design of locomotives at the time. The older locomotive had been built more to handle tonnage at lower speeds. It was necessary to design engines that would handle trains at the higher speed, and the fundamental change in the design of the locomotive during this period, and it was somewhat gradual, was to increase the size of the firebox and permit the locomotive to burn more fuel and to generate more steam so that instead of having to reduce the length of your train in order to make the time across the road, the train could maintain its full tonnage and still make the higher speeds.

(3) Job Content Unaffected by Weight on Drivers or Train Length

Carriers reject the argument of the Organization that weight on drivers or length of train is an index of a heavier work assignment for conductors and brakemen and flagmen. J. E. Alward, trainmaster, testifying for the Carriers, said (Tr. 1955):

> Very few of the duties performed by train crews are affected in any manner by the size, power, or weight on drivers of the particular locomotive pulling the train. Most of the variations in job content which are in fact attributable to the increased size and power of modern locomotives, instead of making the work of the train crew harder, have materially lightened their work.

Carrier witnesses testified that the duties of the conductor remain the same regardless of the length of the train. Such items as may be affected by train length are minor. Making out the wheel report is done increasingly by clerical employees, not the conductor. Through trains make no or few stops, so that walking inspection is less rather than more. Workers on through freights drawn by heavy power are largely relieved of switching, of dropping or picking up cars, of handling less than carload shipments. Carriers recognize that inspection of train while running is limited by visibility and employees are not held responsible for what they cannot see. Radio is now in use permitting communication between caboose and engine and between either and stations.

Although train length has increased steadily the frequency of equipment failures which require attention of the train crew has declined.

Present practice calls for setting out a defective car on the nearest siding rather than hold up the train.

A hotbox today seldom means anything more than making a simple setout. Moreover, they are infrequent. During my eleven years in road service, I would estimate that I had less than one hotbox per month. It certainly never occurred to me that I was being overworked by having to make an occasional setout that wasn't called for on the switch list. (Tr. 2042.)

Occasionally an air hose will break. This then stops the train and a member of the train crew must replace the broken hose. This is an easy job and does not require much time or effort, and I only had to replace an air hose about once every six months.

Car body failure can be anything from a swinging door to collapse of the car frame itself, but the improvement in freight car construction has virtually eliminated serious car failures. (Tr. 2044.)

Statistics offered by the Carriers show that railroads whose average train length was the highest reported an average casualty rate lower than those operating the shortest trains.

TABLE 9.—*Distribution of railroads by car-miles per train-mile and average casualty rate—train accidents and train-service accidents, year 1952*

Car-miles per train-mile—freight service (1)	Number of railroads (2)	Average casualty rate [1] (3)	Car-miles per train-mile—freight service (1)	Number of railroads (2)	Average casualty rate [1] (3)
40 and under	37	8.89	70.1–80	8	6.34
40.1–50	15	8.28	80.1 and over	6	6.48
50.1–60	33	6.92			
60.1–70	22	7.77	Total	121	7.41

[1] Number of casualties per million locomotive-miles and motor train-miles combined. Average casualty rate is the weighted average for trainmen (conductors, brakemen, engineers, firemen) of the railroads falling within each range of car-miles per train-mile.

Source: I. C. C. Accident Bulletin No. 121, year 1952, Tables 97, 102, 103. Reports of Carriers to I. C. C.—Form O-8-A, Freight Train Performance. (Carriers' Ex. 47, p. 7.)

Additional statistics were offered by Carriers to show a decrease in the relative number of casualties due to "slack" action. These statistics showed the casualty rate per million locomotive-miles averaged 1.42 in 1923–29; dropped to .058, 1930–40, during the depression when fewer trains were operating and were being handled by veteran workers; then rose to 0.91 in the war years, 1941–45; dropped to 0.82 in the postwar period, 1946–53.

C. E. Alward testified (Tr. 2076–77–78–79):

Slack action has been a part of railroading ever since I have been familiar with the industry. I have never considered it to be a material hazard to me or any other member of a train crew. The so-called hazard from slack action can easily be avoided by the exercise of reasonable intelligence on the part of conductors and trainmen. In 99 cases out of 100 the men in the caboose know when to expect slack action and can brace themselves against it. The heaviest slack action comes at slow speeds and usually while making starts and stops. A poor engineer who does not know how to handle his train can give you just as bad a

jerk on a short train as he can on a long one. On the other hand, a good train handler can start and stop his train and you will hardly notice it in the caboose.

It is also urged that the work of train service employees in all classes of service tends to become easier as weight on drivers and train length increase for the reason diesel locomotives are cleaner and more comfortable to ride. They make less frequent stops for fuel and water, decrease time on the road, raise their pay per hour on duty, eliminate helper services on grades and less physical effort is required when switches are automatically controlled by the dispatcher under centralized train control.

Carriers submit that the second premise of the Organization's case—that longer trains accompanying heavier power add to workload of train service employees—is not sustained by the facts.

(4) Productivity

Carriers deny that the concept of employee sharing in productivity as advanced by the Organization's economist in this proceeding is valid. This theory is simply that since long trains haul more payload the crews operating them should get more money. Carriers state that if the productivity of an employee increases through greater skill or effort on his part he should be paid for such increased skill or effort, but not when the increase in productivity does not arise from such such employee contributions.

J. E. Wolfe, railroad official, testifying on this subject, stated that:

* * * even those economists who accept "productivity" as a wage factor are generally in agreement that the productivity of individuals or groups is of no significance and that the only "productivity" increases which have significance in wage determinations are the increases in productivity of the economy as a whole. (Tr. 2699.)

Witness Wolfe credited the increases in productivity of the railroad industry "to enormous capital expenditures for technological improvements." (Ibid.) These include expenditures for new equipment, for reduction of grades and curvatures, shortening of lines, improvement of tracks and yards, new signal installations. (Tr. 2699–2704.) He testified also that "the productivity of the employees involved in the present demand has increased less than the productivity of other employees of the railroads." (Tr. 2723; Carriers' Ex. 46, pp. 28–32.)

(5) Pattern Settlements

Carriers contend that approval of the Organization's proposal would violate the principle, indispensable in railroad operation, of making "fair, uniform, and nondiscriminatory settlements" between the railroads and all classes of its workers. (Tr. 3265.) Statistics were pre-

sented showing that the general wage increases of both operating and nonoperating employees had been virtually identical in the period since 1937, save for the adjustment due to giving yard employees the option of the 40-hour week. (Carriers' Ex. 33; p. 67.)

While worker pressures are for nationwide wage uniformity, individual organizations seek to gain advantage for their members through special appeals, frequently on the basis of alleged inequities. These, if granted, would result in chaos in the railroad industry. (Tr. 2300.)

Daniel P. Loomis, Chairman of the Carriers' Conference Committees, testified:

> History demonstrates that pattern settlements are necessary and inevitable in the railway industry. Railway labor disputes cannot be disposed of on a lasting and effective basis unless uniform and nondiscriminatory treatment is accorded to all classes and crafts involved. * * * Adoption at this time of the proposed graduated rates of pay for train and yard service employees would almost certainly destroy the uniform and nondiscriminatory pattern of settlement that has brought the 1953–54 operating employees' wage movement to a conclusion. (Tr. 2301–2.)
>
> It is thus the Carriers' position that when a substantial body of carrier employees has agreed upon a uniform settlement of demands for wage adjustments, any organizations or groups of employees that ask for benefits greater than or in addition to those provided by the pattern settlement must be prepared to show convincing and controlling reasons why such favored treatment should be granted. And in determining what are convincing and controlling reasons, the parties to the dispute or any board charged with the responsibility of determining the merits of the demands must give due consideration to the new *inequities* that may result from granting favored treatment—must give due consideration to the possible disruption of the industry's entire labor relations and to the harm that may come to the industry, as a result of a departure from the pattern. In attempting to correct an alleged or supposed inequity care must be exercised to avoid a remedy that may be worse than the disease. (Tr. 2176–6.)

(6) Financial Condition and Prospects of the Railroads

Carriers urge that the financial condition and prospects of the railroads are recognized as valid factors in all disputes involving wages of employees. A strong and healthy railroad industry, essential in peace and even more so in time of war cannot be maintained simply by increasing freight rates or passenger fares because of resulting loss of traffic.

(*a*) Competition in the transportation field is intense and increasing. Statistics were offered showing that since the war years of 1942–45 the tonnage on railroads expressed in ton-miles has declined while that of motortrucks, oil pipelines and inland water carriers has increased. The percentage distribution for intercity freight traffic shared by the railroads has decreased from 75 percent in 1930 to 52.4 percent in 1953. (Carriers' Ex. 37, pp. 1–2.) Railroads also have been

losing high rate traffic, such as livestock, poultry, dairy products, fresh fruits and vegetables, as well as much of their former heavy coal volume. (Carriers' Ex. 37; pp. 5–16.)

Intercity passenger traffic has in large measure shifted from the rails to privately owned motorcars, motor buses and air carriers. The percentage share of railroads in commercial intercity passenger traffic has decreased from 68.5 percent in 1930 to 46.4 percent in 1953. (Carriers' Ex. 37, p. 18.)

To meet this competition Carriers report they have been forced to make heavy capital outlays on track and equipment, that earnings must be sustained to maintain the credit of the railroads and enable them to perform their necessary function. John M. Budd, President of the Great Northern Railway, testified (Tr. 2504) that railroads can provide the public with efficient, low-cost transportation service and employees with job security "only if a sound and solvent financial structure is maintained."

(*b*) Earnings of Class One Carriers.

Whereas in the period 1925–29 Carriers realized a return of 5.11 percent on their net investment, in none of the postwar years has that percentage been attained. The rate of return in recent years is reported as follows in Carriers' Ex. 35, p. 2:

TABLE 10

Year	Return on net investment	Return on ICC valuation	Year	Return on net investment	Return on ICC valuation
1948	4.31	4.70	1952	4.16	4.48
1949	2.88	3.13	1953	4.19	4.52
1950	4.28	4.64	1954 (preliminary)	3.10	3.34
1951	3.76	4.06			

This rate of return does not make allowance for income tax deferrals arising from amortization of defense projects, which will have to be met in future years. Carriers contend that these earnings are insufficient to yield a fair return to investors and insure a flow of new capital required for essential progress in the transportation industry. To clinch this point Carriers quoted the words of the Interstate Commerce Commission:

> Judged by any standard * * * the rates of return earned or prospectively to be earned by the railroads * * * are substandard. (Carriers' Ex. 35, p. 52.)

(*c*) Adoption of Proposal Would Endanger Financial Position of Carriers.

Carriers state that labor costs now approximate 50 percent of total operating revenues and 62 percent of total operating expenses. If this demand of the Organization is granted the cost to the railroads

would be nearly $12 million, and if extended to other train employees the annual wage bill would be increased by more than $62 million. (Carriers' Ex. 35, p. 27; Tr. 2432.) If this increase was extended to all employees as might be the consequence, the Carriers would be confronted with a gross wage increase of some $250 million, or one-fourth of the total net income for 1953, one of the most prosperous years for the Carriers in recent history, although it yielded a return on net investment of only 4.19 percent.

Carriers contend it is not in the interest of the railroads, of the workers themselves, or of the public served by both to authorize wage structure changes which might endanger the financial health of the Carriers.

(7) A Graduated Rate of Pay Based on Weight on Drivers Is Not Suitable for Train and Yard Service Employees

It is the position of the Carriers that the type and amount of work performed on the average run by a conductor in through freight service has little or no relation to the weight on drivers of the locomotive as the skill, effort, responsibility, and hazards required of train service employees vary inversely with the weight on drivers of the locomotive behind which they work. The reason for this is that heavier locomotives get their trains over the road faster and enable the employees assigned to these trains to earn their day's pay in a lesser period of time; that the only real work required of train crews en route is that involved in picking up and setting out cars and doing station switching, which is usually assigned to local and way freight service (Alward, Tr. 2008); that heavier locomotives are not used in yard service; that jobs on the faster trains are the easiest jobs as established by the preference shown for the assignment by the employees in the exercise of their seniority rights; that the proposal of the Organization would create an opposite wage distortion.

It is also urged that the compensation of each class of employees should be determined by the characteristics of each job classification and should not be related rigidly to the wage scale of an altogether different craft. The fact that enginemen are paid graduated rates based upon weight on drivers is not any evidence that such a basis of pay should be allowed to conductors and brakemen, as differences in the rules governing compensation of these various classes reflect and are based upon the differences in their work and working conditions.

The graduated basis of pay was established to compensate enginemen for variations in the physical labor and responsibilities required of these employees on varying sizes and weights.

The physical labor and responsibilities of conductors and brakemen

are wholly different from the enginemen, hence a graduated rate of pay has no application to conductors and brakemen. The reason for the difference in basis of pay is that the work of enginemen requires more constant attention and greater alertness and involves more strain than the work of train service employees. Moreover, enginemen have mechanical and driving duties requiring special skills that are not required of train service employees and such duties increase as the number of units included in the locomotive are increased. (Tr. 1377.)

VI. DISCUSSION OF THE BOARD

The Board has organized its discussion under two major headings. The first develops certain general conclusions regarding the wage rate structure of the operating classifications as a whole, and the second part is concerned more narrowly with the proposal for graduated rates of pay based upon weight on drivers as presented by the Organization. A recommendation follows from each part of the discussion.

A. The Wage Rate Structure of Operating Classifications

(1) The proposal of the Organization in this proceeding is a reflection of one of the major problems of the industry: the establishment and maintenance of an equitable and economically sound wage rate structure for the railroad industry as a whole. The contentions in this case concern a single feature of the total wage structure. We are asked to add a new element in the pay rules of certain employees who are part of a complex and highly interrelated wage structure. We are presented with a major problem only a small part of which lies above the surface. This Board starts its discussion from the view that the wage rate structure of the railroads, or at least of the operating classifications, must be viewed as a highly integrated whole and each part related to that whole. (Tr. 2313, 2332.)

(2) The operating classifications in the railroad industry constitute a relatively self-contained group, at least for the purpose of wage rate administration and comparison. While it is probably true that every wage rate in the whole country, in at least some small degree, is influenced by every other rate, there are significant differences in the degree of influence. The wages of operating employees on the railroads are certainly not independent of nonoperating wages for purposes of general wage changes. Nonetheless, the wage structure of operating employees for the present purposes constitutes a relatively self-contained entity.

The operating employees are engaged in train and engine service and are charged with the direct responsibility for the movement of

trains. There were 248,504 operating employees reported for the second quarter of 1954, 22.75 percent of the total of 1,092,364 railroad employees. (Employee's Ex. 15, pp. 1–4; Carriers' Exs. 8, 11; Tr. 1229, 1359.) The operating employees are represented by five major labor organizations: Brotherhood of Railroad Trainmen; Brotherhood of Locomotive Firemen and Enginemen; Brotherhood of Locomotive Engineers; Order of Railway Conductors and Brakemen; and the Switchmen's Union of North America.

(3) Every wage rate, differential, element of compensation, and pay rule for an operating classification appears to have a close relationship to the wage structure of other operating classifications. Operating employees work in close proximity, frequently away from continuing supervision; the road crews are paid on a mileage basis; under the seniority and promotion rules the same employee may work from day to day in different classifications and in different types of service; employees hold membership in unions with overlapping jurisdiction. The result is that all operating employees are particularly sensitive to changes in the wage structure of other operating employees. (Carriers' Ex. 33, pp. 16–22; Tr. 2180–90). Labor costs of competing carriers are likewise sensitive to differential pay rules.

(4) One consequence of this highly interdependent wage structure for operating classifications is that the attempt to change one rate or pay rule may generate more trouble and dissatisfaction than it cures. (Tr. 2364.)

Piecemeal adjustments in the wage rate structure tend to generate a succession of attempts for further modifications and patches on the rate structure. Each of these attempted adjustments is cumbersome and time-consuming under the protracted processes of railway labor relations. Moreover, an initial change in wage rate relationships may not persist as subsequent movements restore the old relationship. A recognized need to change the wage structure may not eventuate as a consequence of conflicting piecemeal adjustments. An illustration is provided by the differential between rates for yard conductors and brakemen in the 1947–48 wage movement. (Carriers' Ex. 33, pp. 48–49.)

(5) There has been no comprehensive review and revision of the wage structure in the railroad industry since the days of World War I. During the period of Federal control of the railroads from December 26, 1917, until March 1, 1920, at the direction of W. G. McAdoo, Director-General of Railroads, the four-man Lane Commission reviewed the railroad wage rate structure and made recommendations which were adopted and placed into effect in General Order 27.

The subsequent recommendations of the advisory Board of Railroad Wages and Working Conditions, composed of labor and carrier

representatives (adopted as Supplements to General Order 27) constituted with the Lane Commission Report a thoroughgoing review, revision, and standardization of the railroad wage rate structure. (Employees' Ex. 3, pp. 3–6; 20, p. 3; Carriers' Ex. 38, pp. 56–66; 39, pp. 110–97.)

Perhaps the work of the Railroad Labor Board in determining the wage structure through decisions in 1920 and 1921 should also be cited. But, certainly, no general review in wage structure has since been made. Indeed, no comprehensive surveys or reports on wage structure problems have been made since the distinguished Report of the United States Eight-Hour Commission (1917) (particularly Appendix VI by Professor William Z. Ripley), the studies of the Lane Commission and other government bodies in World War I. However, mention should be made of the study under the direction of Federal Coordinator of Transportation, Joseph B. Eastman, made by Dr. Otto S. Beyer in 1936, "A Survey of the Rules Governing Wage Payments in Railroad Train and Engine Service." The fact that the railroad wage rate structure, for operating classifications, has received no comprehensive review for more than thirty years, and no systematic study for almost twenty years, alone suggests that it may well be obsolete and ill-designed for a modern railroad system.

(6) It should not be inferred that the wage structure and earnings relationships have been unchanged over the period since World War I. There have been some few modifications in the wage rate structure for operating classifications, including the removal in 1944–45 of any ceiling on graduation and a corresponding extension of wage brackets for engineers and firemen, and the elimination at the same time of the Western differential for engineers and firemen and the increase in the rates for firemen on electric and oil-burning locomotives. (Tr. 2327.) Changes in wage rate relationships have also arisen as a consequence of the variable introduction of the forty-hour workweek for certain classes.

There have also been some significant changes in pay rules including arbitraries, as a consequence of agreements between the carriers and the labor organizations, and as a result of changes in the administration of rules arising from decisions of the adjustment boards.

But despite an apparent relative equality of treatment of employees as a consequence of pattern settlements there have been substantial changes in average wage rate relationships and hourly and annual earnings relationships reflecting many technological developments in the industry, and the varying incidence of pay rules. In the past thirty years railway operations have undergone a whole variety of changes, of which the introduction of diesel power is only one of the most spectacular. Such changes have no doubt affected the actual

work performed by the operating classifications, and the time required to perform the mileage standard. These changes also have substantially affected relative hourly earnings among classifications. The Carriers and different groups of employees no doubt differ as to the equity of these relative changes in earnings, but there can be no doubt that such differential changes have helped to create some feelings of injustice. (Employees' Ex, 11; Carriers' Ex. 18.)

(7) There are pending at the present time, in addition to the proposal of the Order of Railway Conductors and Brakemen, a variety of proposals by other major operating unions designed to change the wage structure for operating classifications in some particular. The Brotherhood of Locomotive Engineers is seeking a restoration of the 1936 percentage relationship between engineers and firemen through a 22½-percent wage increase. The Brotherhood of Railroad Trainmen has pending a series of demands including graduated rates of pay based upon train length, a limitation on train length, and wage rate changes for various classes of yardmen including an increase in the conductor-brakeman differential. The Brotherhood of Locomotive Firemen and Enginemen has demanded certain minimum daily guarantees and an increase in the yard service fireman's rate. (Carriers' Ex. 33, pp. 79–98; 34; Tr. 3276–80.)

It is apparent from these pending demands that the major operating labor organizations regard the rate structure—as distinct from the level of wage rates—as unsatisfactory in at least some particulars. These demands all constitute an attempt to change the operating wage structure.

As Arbitration Board 201 stated on March 1, 1955, in denying a proposal of the Switchmen's Union of North America, to increase the differential between yard foremen and yard helpers:

> If (the differential relationships established under unified Federal control) have become outmoded, then it would seem that the industry would best be served not by individual effort for piecemeal adjustment but by cooperative effort toward reevaluation of differentials by all organizations representing comparable classifications of employees.

None of these cases is before this Board, and no remarks here are intended in any way to indicate any judgment on the merits of these or other pending proposals. (Tr. 2313.)

(8) Comprehensive reviews and revisions of wage structures have become common in American industry in the past ten years. E. L. Oliver for the Organization stated:

> Most of the great industries in the United States have recast their wage structure fundamentally. * * * (Tr. 183.)

Many of these modernizations of wage structure have come to be regarded by both the affected unions and managements as a highly

constructive contribution to fewer grievances, to improved morale, and to better relations between the parties. The revisions in the basic steel, iron ore, textiles, aircraft, shipbuilding, and meat packing industries are noteworthy. There are a number of individual companies and plants which likewise have rationalized their internal wage rate structures for both office and production employees. Indeed, the concern with simplification and modernization of internal wage structures is one of the most significant developments of industrial relations in the United States in the past decade.

This comprehensive attention to wage structures has escaped the railway industry and the operating classifications which are of particular concern here. Perhaps collective bargaining here has been preoccupied in view of the slow pace of settlements with more urgent problems including the adjustments in general wage changes to postwar inflation and with changes in the workweek and fringe benefits.

Mr. Loomis for the Carriers stated:

> I would venture to say that I would like to see the whole railroad rate structure examined in its entirety. * * * (Tr. 2372.)

It is significant that agencies of Government (National War Labor Board) played a key role in getting under way the programs of internal wage review in steel, textiles, shipbuilding, aircraft, and meat packing. The wage stabilization programs of World War II and the Korean period further encouraged these developments. These agencies when confronted with disputes over particular issues of wage structure not infrequently developed a general program of review of the wage structure of the whole industry. Specific cases lead to general solutions. The only comprehensive review of the wage structure in railroads was likewise performed under government auspices in World War I. Thus far various governmental agencies concerned with railroad problems have not directed their attention to the long overdue modernization of the railroad wage structure.

(9) In addition to comprehensive ordering of wage rates in American industry, piece rate and incentive systems have likewise received widespread scrutiny and modernization in recent years. It is axiomatic that a piece rate or incentive system must be kept up to date, with changing conditions and technology, or it will develop serious inequities in earnings, and more important, it will then cease to provide any genuine incentive for increased output which brings lower costs and higher earnings. The standards of a piecework system need review with changes in job content and operations. It is agreed that the mileage basis of pay is a form of piece rate method of compensation. There has been no review of its incentive features for earnings or for labor costs.

(10) It is interesting to note in passing that a comprehensive review of the wage structure of the British railways has recently been undertaken. On December 16, 1953, the British Transport Commission and the interested unions agreed in part as follows:

> The British Transport Commission are prepared to examine with the Trade Unions their whole wage and salary structure. The British Transport Commission contemplates that this examination would be completely exhaustive, without conditions of any kind. Its purposes would be to correct anomalies and give added incentives (including differentials) in desirable cases; and to investigate all standard rates of pay.[5]

(11) The railroad industry plays a vital role in the operation of the economy in peace or war. For this reason the Carriers have stressed the importance of maintaining the railroads in a sound financial position. The significant role of the industry in the economy also underscores the importance of sound industrial relations and a modernized wage rate structure, specifically for operating classifications. It is the experience of American industry that the administration of a wage structure and incentive system is as significant for labor costs, and frequently more so, than changes in the general level of wage rates. It should be possible to revise the rate structure to increase daily and annual earnings of the employees and yet to reduce labor costs per ton-mile and per passenger-mile. A rationalized and modernized rate structure is essential to placing the railroad industry on a secure footing for peace or war.

If the railroads are to maintain a strong place in the intense competition among transportation industries, their obsolete wage structure must be carefully reviewed and revised. Many railroad operations have been abandoned in recent years leaving the field to competitors and reducing employment opportunities in the railroads. A revised wage structure among types of operations might provide labor costs which would justify continuation of the service. Herein lies further grounds for a comprehensive review of the wage structure.

(12) The Board has concluded that there is imperative need in this industry, and specifically in the operating classifications, for a thoroughgoing review and modernization of the internal wage structure. Indeed, such a review and rationalization is long overdue. This conclusion is not derived from an exhaustive wage survey. At this point we are not designating particular wage rate relationships or elements of the compensation system and pay rules that need attention, although some are quite obvious. The conclusion is based rather upon the general statistical materials presented in this case and upon the broad considerations outlined above.

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[5] Final Report of a Court of Inquiry into a Dispute between the British Transport Commission and the National Union of Railwaymen, January 1955, Cmd. 9372.

The Board is aware that such a comprehensive review is not an easy task; it will require considerable time and energy. The railroads have unique problems. We are in sympathy with the Lane Commission when it said:

> To ask of a man, "What wages should you in justice receive?" is to ask perhaps the profoundest of all human questions.

The task will challenge the leadership on both sides, and the capacity of the labor organizations to work together will be tested. Other industries with less experience in collective bargaining have met and solved these problems. There is every reason to believe that this industry can do as well.

(13) It should be made clear that the term "wage structure" is used to denote the whole complex of wage rates, methods and bases of wage payments, rules governing the mileage basis of pay and overtime, graduated rates of pay, region and other differentials, and all other rules governing compensation. Frequently one party or the other has called for a review of particular rules. It is the comprehensive consideration of the whole structure which is required.

In recent years there appears to be a tendency for some labor organizations among the operating classifications in considering the wage structure to emphasize the differentials among crafts or classifications. There are a great many other aspects of the wage structure in which the organizations and the Carriers have much in common. Thus, there are problems among classes of service, overtime rules and the pay rules providing for an effective incentive or mileage system of pay. These common interests in a modernized wage rate structure need to be stressed. The growing tendency within the labor movement generally to set aside rivalries in the larger interests, to settle jurisdictional disputes directly, and to work together may also prevail among the operating labor organizations.

(14) For parties so experienced in collective bargaining it is not necessary to set forth the details or mechanics by which such a comprehensive review and revision of the operating wage rate structure of the railroads should be accomplished. The Board has felt, however, that it might be helpful in the further exploration of this recommendation by all the interested parties and agencies for the Board to indicate some suggestions or guideposts which may merit consideration. Participation in the work of the commission should not in advance bind any party to accept the conclusions or recommendations of the commission, except by prior agreement.

(*a*) A comprehensive review of the wage structure would require the establishment of a wage structure commission. It would be necessary that such a commission be composed of senior negotiators since

they are most familiar with the wage rate structure of the industry. The effective operation of the commission would, no doubt, also require that there be selected several neutrals, with experience in collective bargaining, and wage structure problems, to be members of the commission. One of the neutrals should be Chairman.

(*b*) A truly comprehensive review requires that the commission include representatives from the three regional organizations of carriers and from all the major labor organizations of operating employees. It is essential to any comprehensive review and in keeping with long-standing precedent in this industry that all these interested and affected organizations be represented on such a commission.

(*c*) Each segment of the commission would, no doubt, find it necessary to appoint a small group of technical experts familiar with railroad wages and wage structure problems. All related Government agencies would be expected to provide the commission and its technical experts with all possible assistance and information.

(*d*) The effective work of the commission would require that studies be initiated to secure all relevant information on the wage rate structure and earnings of the industry among operating classifications. A comprehensive wage survey is independent of any particular proposal for revision of the rate structure and is essential to the consideration of such proposals. While such a survey should no doubt be planned by the technical experts, the commission should take responsibility for the study and should from time to time consider the problems and progress of any survey. Any survey must be factual and designed to compile all data needed to appraisal proposals for the modification of the wage structure.

(*e*) All elements and aspects of the wage structure should be reviewed. In the language of the British agreement:

> **This examination would be completely exhaustive without conditions of any kind.**

(*f*) The objective of the commission should be to propose for the consideration of Carriers and the labor organizations a revised and modernized wage rate structure for the operating classifications. The objective is not to change the general level of rates but to reorganize the structure and pay rules.

It has been the experience of industry generally that improved wage rate structures pay for themselves, while they may result in some initial rise in average earnings. In these operating classifications it should be possible to reduce average labor costs per ton-mile and per passenger-mile and increase some earnings.

(*g*) This report does not contemplate any mechanical system of job evaluation or other formula for setting wages. A systematic survey

of various job duties is essential to a wage review. The wage rate structure should be established by negotiations after a complete survey and a thorough review of the wage structure. In the tradition of this industry, Section 307 (d) of the Transportation Act of 1920 (Carriers' Ex. 14, p. 1; Tr. 356, 504, 555) sets forth some general principles for a review of wage structure.

(*h*) Industries which have revised their wage structures have invariably adopted a "red circle" or "incumbent" rule, under which no present employee by virtue of the wage rate revision suffers a loss in wage rate without adequate compensation. There may be some technical problems in applying literally this principle to the railroads in view of the operation of the seniority system under which employees may work in several different classifications from day to day, and in view of the variation in pay rules which create variations in earnings. The practicable application of this principle is needed to assure the full cooperation of the individual employees in the wage structure revision program.

(*i*) The work of the commission should be kept apart from the normal negotiations of the parties on other questions in view of the magnitude of the task and in order to assure the greatest possibility of achievement.

(15) The initiative for the establishment of the recommended wage structure commission ideally would come from the affected labor organizations the Carriers, or from both parties jointly. Or the initiative could come from Government agencies concerned with railroad problems, such as the National Mediation Board, the Interstate Commerce Commission, the Secretary of Labor, or from committees of Congress, or the President. In the past, all these agencies and officials have played a significant role in railroad labor relations. The proper agency to conduct an initial exploration of this matter is the National Mediation Board, which could determine from all interested parties and agencies whether the commission should be established directly by the parties or under the auspices of legislative or executive agencies of Government.

Recommendation: There should be established a commission to review and to modernize the wage rate structure of the operating classifications in the railroad industry. We believe that such a comprehensive review is long overdue and is essential to the correction of wage inequities, to mutually constructive industrial relations and to the efficient operation of the railroads. It is recommended that such a commission be established in accordance with the principles and guideposts outlined in the above discussion.

B. The Proposal to Extend Graduated Rates of Pay Based on Weight on Drivers to Train Service Employees

(16) The Organization contends that a serious inequity has been created in the average basic daily rates of train service employees, as compared to those in engine service, as a consequence of higher average rates enjoyed by engineers and firemen with the use of heavier-powered locomotives under their graduated pay tables. The graduated rates of pay proposal is designed by the Organization to eliminate this inequity, to restore wage relationships between train and engine service employees which existed in 1922, and to preclude such an inequity developing in the future with the use of still heavier power.

The Carriers contend that there is no inequity in the pay relationships of conductors and brakemen with other classes of railroad employees. They argue that in any event the graduated rates of pay proposal of the Organization based upon weight on drivers is not suitable for train and yard service employees.

(17) These contentions of the parties over whether there exists an inequity in the pay relationships of conductors and brakemen, as compared to engine service employees, do not arise from any serious conflict over the facts of compensation. The wage data on these relationships used by both parties are derived primarily from the same source, the reports of the Interstate Commerce Commission (Employees' Exs. 11, 12; Carriers' Exs. 9, 15–18, 22). The conflicts arise primarily from different interpretations of these data. In particular, there are four major problems in the analysis of the wage statistics. Each of these issues is analyzed by the Board in the discussion which follows, paragraphs 19–22.

(*a*) The Organization limits its comparisons to the compensation of firemen and engineers, while the Carriers relate the wages of conductors and brakemen to the wages of a wide range of other railroad classifications.

(*b*) The Organization contends that a wage relationship existing in 1922 should be restored while the Carriers deny that the wage relationships of such a base period have any special significance or have been shown to be equitable and just.

(*c*) The Organization expresses wage relationships exclusively in dollar and cents terms while the Carriers contend that the percentage measure is also significant.

(*d*) The Organization emphasizes exclusively comparisons measured in terms of average basic daily rates. The Carriers, while also presenting data on average basic daily rates, lay considerable emphasis upon comparisons measured in terms of average annual earnings which reflect other pay rules, under which the conductors are said to be more favorably situated than engineers. (Carriers' Brief, pp. 41–43.)

By stressing different wage measures and different relationships each party has used the same basic facts to support its contention, the Organization finding a serious inequity and the Carriers concluding there is none.

(18) The tables which follow present for the period since 1921 four wage relationships: Engineer-conductor; conductor-fireman; engineer-brakeman and fireman-brakeman.[6] The tables show both average basic daily rates and average annual earnings; they show the changes in both dollars and cents and percentage differentials; they indicate the changing wage relationships for three types of services: Passenger service, through freight service, and local and way freight service. These tables present the wage data on which the parties place conflicting interpretations.[7]

[6] The tables are in the same form as those presented in Carriers' Ex. 18. The average basic daily rates are also presented in Employees' Ex. 11. There are a total of six possible pairs of relations among the four major operating classifications. The tables do not show the engineer-fireman and the conductor-brakeman relationship.

[7] The Carriers also presented data on average annual earnings of the conductors compared to 27 other classes of supervisory employees. (Carriers' Ex. 18, p. 14.) Carriers' Ex. 9 develops the separate elements which account for the changes in average hourly and annual earnings between 1936 and 1954.

TABLE 11.—*Average basic daily rates and average annual earnings*

ENGINEERS AND CONDUCTORS IN PASSENGER SERVICE

Years	Average basic daily rates				Average annual earnings			
	Engineers (Div. 121)	Conductors (Div. 111)	Differential, engineers over conductors	Ratio of engineers to conductors	Engineers (Div. 121)	Conductors (Div. 111)	Differential, engineers over conductors	Ratio of engineers to conductors
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
July—December 1921	$6.13	$6.52	—$0.39	94.0	[1] $3,017	[1] $2,781	$236	108.5
1922	6.12	6.51	—.39	94.0	3,001	2,781	220	107.9
1923	6.14	6.54	—.40	93.9	3,044	2,807	237	108.4
1924	6.27	6.76	—.49	92.8	3,109	2,907	202	106.9
1925	6.41	6.85	—.44	93.6	3,197	2,944	253	108.6
1926	6.43	6.86	—.43	93.7	3,211	2,973	238	108.0
1927	6.52	7.12	—.60	91.6	3,232	3,071	161	105.2
1928	6.78	7.15	—.37	94.8	3,389	3,093	296	109.6
1929	6.85	7.32	—.47	93.6	3,458	3,177	281	108.8
1930	6.87	7.33	—.46	93.7	3,397	3,152	245	107.8
1931	6.86	7.32	—.46	93.7	3,334	3,118	216	106.9
1932	6.23	6.64	—.41	93.8	2,954	2,814	140	105.0
1933	6.16	6.56	—.40	93.9	2,905	2,764	141	105.1
1934	6.25	6.61	—.36	94.6	2,947	2,791	156	105.6
1935	6.76	7.16	—.40	94.4	3,251	3,033	218	107.2
1936	6.88	7.27	—.39	94.6	3,384	3,108	276	108.9
1937	6.99	7.38	—.39	94.7	3,454	3,141	313	110.0
1938	7.33	7.70	—.37	95.2	3,608	3,280	328	110.0
1939	7.33	7.71	—.38	95.1	3,632	3,311	321	109.7
1940	7.33	7.70	—.37	95.2	3,650	3,322	328	109.9
1941	7.58	7.93	—.35	95.6	3,810	3,484	326	109.4
1942	8.15	8.52	—.37	95.7	4,290	3,918	372	109.5
1943	8.39	8.80	—.41	95.3	4,564	4,162	402	109.7
1944	8.91	9.27	—.36	96.1	4,939	4,470	469	110.5
1945	8.98	9.25	—.27	97.1	4,983	4,496	487	110.8
1946	10.31	10.68	—.37	96.5	5,415	4,931	484	109.8
1947	10.45	10.92	—.47	95.7	5,391	4,874	517	110.6
1948	11.83	12.13	—.30	97.5	6,115	5,497	618	111.2
1949	12.60	12.79	—.19	98.5	6,572	5,853	719	112.3
1950 [2]	12.74	12.93	—.19	98.5	6,680	5,990	690	111.5
1951 [2]	14.06	14.22	—.16	98.9	7,332	6,540	792	112.1
1952 [2]	14.68	14.84	—.16	98.9	7,644	6,757	887	113.1
1953	15.01	15.11	—.10	99.3	7,805	6,843	962	114.1
January–June 1954 [2]	15.56	15.64	—.08	99.5	[1] 7,932	[1] 7,113	819	111.5

[1] Annual basis.

[2] Adjusted to include retroactive wage increases.

Source: I. C. C. Statistics of Railways and Statements M-300.

TABLE 12.—*Average basic daily rates and average annual earnings*

ENGINEERS AND CONDUCTORS IN FREIGHT SERVICE

Years	Average basic daily rates—through freight				Average basic daily rates—local freight				Average annual earnings—freight service			
	Engineers (Div. 122)	Conductors (Div. 113)	Differential, engineers over conductors	Ratio of engineers to conductors	Engineers (Div. 123)	Conductors (Div. 114)	Differential, engineers over conductors	Ratio of engineers to conductors	Engineers (Divns, 122 and 123)	Conductors (Divns, 113 and 114)	Differential, engineers over conductors	Ratio of engineers to conductors
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
July–December 1921	$7.28	$5.93	$1.35	122.8	$7.42	$6.37	$1.05	116.5	[1] $2,814	[1] $2,524	$290	111.5
1922	7.27	5.92	1.35	122.8	7.40	6.35	1.05	116.5	3,000	2,685	315	111.7
1923	7.28	5.93	1.35	122.8	7.47	6.39	1.08	116.9	3,083	2,740	343	112.5
1924	7.46	6.19	1.27	120.5	7.60	6.64	.96	114.5	3,009	2,712	297	111.0
1925	7.69	6.27	1.42	122.6	7.85	6.76	1.09	116.1	3,146	2,762	384	113.9
1926	7.71	6.26	1.45	123.2	7.87	6.78	1.09	116.1	3,201	2,785	416	114.9
1927	7.79	6.48	1.31	120.2	7.98	7.02	.96	113.7	3,150	2,822	328	111.6
1928	8.14	6.50	1.64	125.2	8.34	7.08	1.26	117.8	3,256	2,789	467	116.7
1929	8.28	6.68	1.60	124.0	8.48	7.26	1.22	116.8	3,342	2,893	449	115.5
1930	8.29	6.68	1.61	124.1	8.42	7.27	1.15	115.8	3,155	2,774	381	113.7
1931	8.30	6.67	1.63	124.4	8.51	7.26	1.25	117.2	3,053	2,671	382	114.3
1932	7.57	6.08	1.49	124.5	7.72	6.58	1.14	117.3	2,727	2,392	335	114.0
1933	7.48	6.01	1.47	124.5	7.65	6.50	1.15	117.7	2,718	2,430	288	111.9
1934	7.58	6.08	1.50	124.7	7.74	6.58	1.16	117.6	2,760	2,503	257	110.3
1935	8.20	6.59	1.61	124.4	8.38	7.10	1.28	118.0	3,062	2,760	302	110.9
1936	8.31	6.67	1.64	124.6	8.50	7.19	1.31	118.2	3,247	2,929	318	110.9
1937	8.41	6.75	1.66	124.6	8.61	7.34	1.27	117.3	3,218	2,932	285	109.8
1938	8.79	7.10	1.69	123.8	8.92	7.67	1.25	116.3	3,299	2,995	304	110.2
1939	8.77	7.09	1.68	123.7	8.93	7.68	1.25	116.3	3,427	3,072	355	111.6
1940	8.78	7.08	1.70	124.0	8.97	7.67	1.30	116.9	3,517	3,123	397	112.6
1941	9.02	7.30	1.72	123.6	9.22	7.89	1.33	116.9	3,818	3,375	443	113.1
1942	9.52	7.84	1.68	121.4	9.73	8.43	1.30	115.4	4,199	3,803	396	110.4
1943	9.79	8.07	1.72	121.3	10.00	8.70	1.30	114.9	4,348	3,960	398	110.1
1944	10.30	8.57	1.73	120.2	10.46	9.15	1.31	114.3	4,602	4,231	371	108.8
1945	10.42	8.60	1.82	121.2	10.52	9.19	1.33	114.5	4,552	4,157	395	109.5
1946	11.91	10.01	1.90	119.0	11.97	10.59	1.38	113.0	4,989	4,651	338	107.3
1947	12.00	10.28	1.72	116.7	12.06	10.87	1.19	110.9	5,115	4,850	265	105.5
1948	13.50	11.47	2.03	117.7	13.55	12.09	1.46	112.1	5,661	5,340	321	106.0
1949	14.30	12.10	2.20	118.2	14.24	12.69	1.55	112.2	6,803	5,487	316	105.8
1950 [2]	14.53	12.21	2.32	119.0	14.40	12.79	1.61	112.6	6,177	5,765	412	107.1
1951 [2]	15.94	13.46	2.48	118.4	15.75	14.04	1.71	112.2	6,544	6,126	418	106.8
1952 [2]	16.75	14.14	2.61	118.5	16.48	14.70	1.78	112.1	6,846	6,421	425	106.6
1953	17.18	14.42	2.76	119.1	16.82	14.96	1.86	112.4	6,919	6,550	369	105.6
January–June 1954 [2]	17.84	14.93	2.91	119.5	17.40	15.46	1.94	112.5	[1] 7,048	[1] 6,636	412	106.2

[1] Annual basis.

[2] Adjusted to include retroactive wage increases.

Source: I. C. C. Statistics of Railways and Statemenet M-300.

TABLE 13.—*Average basic daily rates and average annual earnings*

CONDUCTORS AND FIREMEN IN PASSENGER SERVICE

Years	Average basic daily rates				Average annual earnings			
	Conductors (Div. 111)	Firemen (Div. 125)	Differential, conductors over firemen	Ratio of conductors to firemen	Conductors (Div. 111)	Firemen (Div. 125)	Differential, conductors over firemen	Ratio of conductors to firemen
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
July–December—1921	$6.52	$4.60	$1.92	141.7	[1] $2,781	[1] $2,208	$573	126.0
1922	6.51	4.60	1.91	141.5	2,781	2,216	565	125.5
1923	6.54	4.62	1.92	141.6	2,807	2,255	552	124.5
1924	6.76	4.74	2.02	142.6	2,907	2,316	591	125.5
1925	6.85	4.88	1.97	140.4	2,944	2,396	548	122.9
1926	6.86	4.91	1.95	239.7	2,973	2,409	564	123.4
1927	7.12	5.09	2.03	139.9	3,071	2,488	583	123.4
1928	7.15	5.21	1.94	137.2	3,093	2,562	531	120.7
1929	7.32	5.27	2.05	138.9	3,177	2,619	558	121.3
1930	7.33	5.29	2.04	138.6	3,152	2,559	593	123.2
1931	7.32	5.29	2.03	138.4	3,118	2,499	619	124.8
1932	6.64	4.83	1.81	137.5	2,814	2,184	630	128.8
1933	6.56	4.78	1.78	137.2	2,764	2,096	668	131.9
1934	6.61	4.85	1.76	136.3	2,791	2,146	645	130.1
1935	7.16	5.25	1.91	136.4	3,033	2,368	665	128.1
1936	7.27	5.33	1.94	136.4	3,108	2,500	608	124.3
1937	7.38	5.43	1.95	135.9	3,141	2,572	569	122.1
1938	7.70	5.79	1.91	133.0	3,280	2,695	585	121.7
1939	7.71	5.80	1.91	132.9	3,311	2,732	579	121.2
1940	7.70	5.79	1.91	133.0	3,322	2,746	576	121.0
1941	7.93	5.98	1.95	132.6	3,484	2,936	548	118.7
1942	8.52	6.57	1.95	129.7	3,918	3,379	539	116.0
1943	8.80	6.81	1.99	129.2	4,162	3,668	494	113.5
1944	9.27	7.35	1.92	126.1	4,470	4,064	406	110.0
1945	9.25	7.37	1.88	125.5	4,496	4,092	404	119.9
1946	10.68	8.70	1.98	122.8	4,931	4,545	386	108.5
1947	10.92	8.84	2.08	123.5	4,874	4,544	330	107.3
1948	12.13	10.19	1.94	119.0	5,497	5,219	278	105.3
1949	12.79	11.00	1.79	116.3	5,853	5,663	190	103.4
1950 [2]	12.93	11.15	1.78	116.0	5,990	5,789	201	103.5
1951 [2]	14.22	12.46	1.76	114.1	6,540	6,426	114	101.8
1952 [2]	14.84	13.05	1.79	113.7	6,757	6,743	14	100.2
1953	15.11	13.41	1.70	112.7	6,843	6,860	−17	99.8
January–June 1954	[2] 15.64	13.93	1.71	112.3	[1] [2] 7,113	[1] 7,035	78	101.1

[1] Annual basis.

[2] Adjusted to include retroactive wage increases.

Source: I. C. C. Statements M-300.

TABLE 14.—*Average basic daily rates and average annual earnings*

CONDUCTORS AND FIREMEN IN FREIGHT SERVICE

Year	Average basic daily rates—through freight				Average basic daily rates—local freight				Average annual earnings—freight service			
	Conductors (Div. 113)	Firemen (Div. 126)	Differential conductors over firemen	Ratio of conductors to firemen	Conductors (Div. 114)	Firemen (Div. 127)	Differential, conductors over firemen	Ratio of conductors to firemen	Conductors (Divns. 113 and 114)	Firemen (Divns. 126 and 127)	Differential, conductors over firemen	Ratio of conductors to firemen
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
July–December 1921	$5.93	$5.44	$0.49	109.0	$6.37	$5.52	$0.85	115.4	[1] $2,524	[1] $1,956	$568	129.0
1922	5.92	5.41	.51	109.4	6.35	5.47	.88	116.1	2,685	2,086	599	128.7
1923	5.93	5.43	.50	109.2	6.39	5.52	.87	115.8	2,740	2,145	595	127.7
1924	6.19	5.58	.61	110.9	6.64	5.66	.98	117.3	2,712	2,094	618	129.5
1925	6.27	5.81	.46	107.9	6.76	5.89	.87	114.8	2,762	2,221	541	124.4
1926	6.26	5.84	.42	107.2	6.78	5.92	.86	114.5	2,785	2,270	515	122.7
1927	6.48	6.03	.45	107.5	7.02	6.11	.91	114.9	2,822	2,289	533	123.3
1928	6.50	6.18	.32	105.2	7.08	6.26	.82	113.1	2,789	2,328	461	119.8
1929	6.68	6.28	.40	106.4	7.26	6.38	.88	113.8	2,893	2,392	501	120.9
1930	6.68	6.29	.39	106.2	7.27	6.40	.87	113.6	2,774	2,229	545	124.5
1931	6.67	6.30	.37	105.9	7.26	6.40	.86	113.4	2,671	2,111	560	126.5
1932	6.08	5.75	.33	105.7	6.58	5.82	.76	113.1	2,392	1,847	545	129.5
1933	6.01	5.70	.31	105.4	6.50	5.76	.74	112.8	2,430	1,727	703	140.7
1934	6.08	5.77	.31	105.4	6.58	5.84	.74	112.7	2,503	1,763	740	142.0
1935	6.59	6.23	.36	105.8	7.10	6.33	.77	112.2	2,760	1,967	793	140.3
1936	6.67	6.32	.35	105.5	7.19	6.41	.78	112.2	2,929	2,130	799	137.5
1937	6.75	6.41	.34	105.3	7.34	6.52	.82	112.6	2,932	2,138	794	137.1
1938	7.10	6.79	.31	104.6	7.67	6.86	.81	111.8	2,995	2,167	828	138.2
1939	7.09	6.77	.32	104.7	7.68	6.88	.80	111.6	3,072	2,287	785	134.3
1940	7.08	6.76	.32	104.7	7.67	6.89	.78	111.3	3,123	2,380	743	131.2
1941	7.30	6.96	.34	104.9	7.89	7.09	.80	111.3	3,375	2,643	732	127.7
1942	7.84	7.50	.34	104.5	8.43	7.64	.79	110.3	3,803	3,001	802	126.7
1943	8.07	7.75	.32	104.1	8.70	7.91	.79	110.0	3,950	3,155	795	125.2
1944	8.57	8.35	.22	102.6	9.15	8.39	.76	109.1	4,231	3,425	806	123.5
1945	8.60	8.41	.19	102.3	9.19	8.41	.78	109.3	4,157	3,360	797	123.7
1946	10.01	9.88	.13	101.3	10.59	9.87	.72	107.3	4,651	3,691	960	126.0
1947	10.28	9.98	.30	103.0	10.87	9.95	.92	109.2	4,850	3,830	1,020	126.6
1948	11.47	11.40	.07	100.6	12.09	11.37	.72	106.3	5,340	4,355	985	122.6
1949	12.10	12.21	−.11	99.1	12.69	12.11	.58	104.8	5,487	4,499	988	122.0
1950 [2]	12.21	12.44	−.23	98.2	12.79	12.26	.53	104.3	5,765	4,798	967	120.2
1951 [2]	13.46	13.83	−.37	97.3	14.04	13.60	.44	103.2	6,126	5,170	956	118.5
1952 [2]	14.14	14.59	−.45	96.9	14.70	14.29	.41	102.9	6,421	5,466	955	117.5
1953	14.42	15.03	−.61	95.9	14.96	14.66	.30	102.0	6,550	5,541	1,009	118.2
January–June 1954	[2] 14.93	15.68	−.75	95.2	[2] 15.46	15.24	.22	101.4	[1] [2] 6,636	[1] 5,676	960	116.9

[1] Annual basis.

[2] Adjusted to include retroactive wage increases.

Source: I. C. C. Statements M-300.

TABLE 15.—*Average basic daily rates and average annual earnings*

ENGINEERS AND BRAKEMEN AND FLAGMEN IN PASSENGER SERVICE

Year	Average basic daily rates				Average annual earnings			
	Engineers (Div. 121)	Brakemen and flagmen (Div. 116)	Differential engineers over brakemen	Ratio of engineers to brakemen	Engineers (Div. 121)	Brakemen and flagmen (Div. 116)	Differential engineers over brakemen	Ratio of engineers to brakemen
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
July-December—1921	$6.13	$4.55	$1.58	134.7	[1] $3,017	[1] $1,850	$1,167	163.1
1922	6.12	4.50	1.62	136.0	3,001	1,844	1,157	162.7
1923	6.14	4.49	1.65	136.7	3,044	1,874	1,170	162.4
1924	6.27	4.71	1.56	133.1	3,109	1,970	1,139	157.8
1925	6.41	4.79	1.62	133.8	3,197	2,003	1,194	159.6
1926	6.43	4.79	1.64	134.2	3,211	2,015	1,196	159.4
1927	6.52	4.97	1.55	131.2	3,232	2,072	1,160	156.0
1928	6.78	5.00	1.78	135.6	3,389	2,074	1,315	163.4
1929	6.85	5.14	1.71	133.3	3,458	2,161	1,297	160.0
1930	6.87	5.14	1.73	133.7	3,397	2,135	1,262	159.1
1931	6.86	5.13	1.73	133.7	3,334	2,082	1,252	160.1
1932	6.23	4.66	1.57	133.7	2,954	1,821	1,133	162.2
1933	6.16	4.63	1.53	133.0	2,905	1,719	1,186	169.0
1934	6.25	4.70	1.55	133.0	2,947	1,792	1,155	164.5
1935	6.76	5.08	1.68	133.1	3,251	1,996	1,255	162.9
1936	6.88	5.13	1.75	134.1	3,384	2,080	1,304	162.7
1937	6.99	5.23	1.76	133.7	3,454	2,130	1,324	162.2
1938	7.33	5.57	1.76	131.6	3,608	2,251	1,357	160.3
1939	7.33	5.55	1.78	132.1	3,632	2,284	1,348	159.0
1940	7.33	5.55	1.78	132.1	3,650	2,299	1,351	158.8
1941	7.58	5.75	1.83	131.8	3,810	2,461	1,349	154.8
1942	8.15	6.40	1.75	127.3	4,290	2,900	1,390	147.9
1943	8.39	6.68	1.71	125.6	4,564	3,237	1,327	141.0
1944	8.91	7.20	1.71	123.8	4,939	3,557	1,382	138.9
1945	8.98	7.23	1.75	124.2	4,983	3,622	1,361	137.6
1946	10.31	8.55	1.76	120.6	5,415	3,954	1,461	136.9
1947	10.45	8.78	1.67	119.0	5,391	3,887	1,504	138.7
1948	11.83	9.97	1.86	118.7	6,115	4,476	1,639	136.6
1949	12.60	10.64	1.96	118.4	6,572	4,775	1,797	137.6
1950	12.74	10.78	1.96	118.2	6,680	4,845	1,835	137.9
1951 [2]	14.06	12.07	1.99	116.5	7,332	5,439	1,893	134.8
1952 [2]	14.68	12.67	2.01	115.9	7,644	5,605	2,039	136.4
1953	15.01	12.97	2.04	115.7	7,805	5,627	2,178	138.7
January-June 1954	[1] 15.56	13.44	2.12	115.8	[1] [2] 7,932	[1] 5,839	2,093	135.8

[1] Annual basis.

[2] Adjusted to include retroactive wage increases.

Source: I. C. C. Statements M-300.

TABLE 16.—*Average basic daily rates and average annual earnings*

ENGINEERS AND BRAKEMEN AND FLAGMEN IN FREIGHT SERVICE

Year	Average basic daily rates—through freight				Average basic daily rates—local freight				Average annual earnings—freight service			
	Engineers (Div. 122)	Brakemen and flagmen (Div. 117)	Differential, engineers over brakemen	Ratio of engineers to brakemen	Engineers (Div. 123)	Brakemen and flagmen (Div. 118)	Differential, engineers over brakemen	Ratio of engineers to brakemen	Engineers (Divns. 122 and 123)	Brakemen and flagmen (Div. 117 and 118)	Differential, engineers over brakemen	Ratio of engineers to brakemen
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
July–December—1921	$7.28	$4.61	$2.67	157.9	$7.42	$5.01	$2.41	148.1	[1] $2,814	[1] $1,845	$969	152.5
1922	7.27	4.61	2.66	157.7	7.40	4.97	2.43	148.9	3,000	1,955	1,045	153.5
1923	7.28	4.62	2.66	157.6	7.47	4.99	2.48	149.7	3,083	2,026	1,057	152.2
1924	7.46	4.86	2.60	153.5	7.60	5.24	2.36	145.0	3,009	2,021	988	148.9
1925	7.69	4.96	2.73	155.0	7.85	5.35	2.50	146.7	3,146	2,073	1,073	151.8
1926	7.71	4.96	2.75	155.4	7.87	5.37	2.50	146.6	3,201	2,090	1,111	153.2
1927	7.79	5.14	2.65	151.6	7.98	5.56	2.42	143.5	3,150	2,109	1,041	149.4
1928	8.14	5.15	2.99	158.1	8.34	5.59	2.75	149.2	3,256	2,095	1,161	155.4
1929	8.28	5.29	2.99	156.5	8.48	5.74	2.74	147.7	3,342	2,175	1,167	153.7
1930	8.29	5.29	3.00	156.7	8.42	5.75	2.67	146.4	3,155	2,065	1,090	152.8
1931	8.30	5.28	3.02	157.2	8.51	5.74	2.77	148.3	3,053	1,952	1,101	156.4
1932	7.57	4.82	2.75	157.1	7.72	5.21	2.51	148.2	2,727	1,708	1,019	159.7
1933	7.48	4.77	2.71	156.8	7.65	5.15	2.50	148.5	2,718	1,613	1,105	168.5
1934	7.58	4.84	2.74	156.6	7.74	5.22	2.52	148.3	2,760	1,651	1,109	167.2
1935	8.20	5.24	2.96	156.5	8.38	5.63	2.75	148.8	3,062	1,844	1,218	166.1
1936	8.31	5.31	3.00	156.5	8.50	5.71	2.79	148.9	3,247	1,983	1,264	163.7
1937	8.41	5.39	3.02	156.0	8.61	5.84	2.77	147.4	3,218	2,012	1,206	159.9
1938	8.79	5.75	3.04	152.9	8.92	6.17	2.75	144.6	3,299	2,051	1,248	160.8
1939	8.77	5.73	3.04	153.1	8.93	6.18	2.75	144.5	3,427	2,135	1,292	160.5
1940	8.78	5.72	3.06	153.5	8.97	6.18	2.79	145.1	3,517	2,198	1,319	160.0
1941	9.02	5.91	3.11	152.6	9.22	6.37	2.85	144.7	3,818	2,427	1,391	157.3
1942	9.52	6.49	3.03	146.7	9.73	6.94	2.79	140.2	4,199	2,808	1,391	149.5
1943	9.79	6.72	3.07	145.7	10.00	7.20	2.80	138.9	4,348	2,969	1,379	146.4
1944	10.30	7.22	3.08	142.7	10.46	7.68	2.78	136.2	4,602	3,246	1,356	141.8
1945	10.42	7.25	3.17	143.7	10.52	7.66	2.86	137.3	4,552	3,190	1,362	142.7
1946	11.91	8.64	3.27	137.8	11.97	9.09	2.88	131.7	4,989	3,567	1,422	139.9
1947	12.00	8.93	3.07	134.4	12.06	9.39	2.67	128.4	5,115	3,800	1,315	134.6
1948	13.50	10.12	3.38	133.4	13.55	10.58	2.97	128.1	5,661	4,256	1,405	133.0
1949	14.30	10.74	3.56	133.1	14.24	11.20	3.04	127.1	5,803	4,340	1,463	133.7
1950 [2]	14.53	10.85	3.68	133.9	14.40	11.30	3.10	127.4	6,177	4,570	1,607	135.2
1951 [2]	15.94	12.16	3.78	131.1	15.75	12.64	3.11	124.6	6,544	5,014	1,530	130.5
1952 [2]	16.75	12.79	3.96	131.0	16.48	13.18	3.30	125.0	6,846	5,248	1,598	130.4
1953	17.18	13.08	4.10	131.3	16.82	13.49	3.33	124.7	6,919	5,298	1,621	130.6
January–June 1954	[3] 17.84	13.58	4.26	131.4	17.40	13.94	3.46	124.8	[1 3] 7,048	[1] 5,355	1,693	131.6

[1] Annual basis.

[2] Adjusted to include retroactive wage increases.

Source: I. C. C. Statement M-300.

TABLE 17.—*Average basic daily rates and average annual earnings*

FIREMEN AND BRAKEMEN AND FLAGMEN IN PASSENGER SERVICE

Year	Average basic daily rates				Average annual earnings			
	Firemen (Div. 125)	Brakemen and flagmen (Div. 116)	Differential, firemen over brakemen	Ratio of firemen to brakemen	Firemen (Div. 125)	Brakeman and flagmen (Div. 116)	Differential, firemen over brakemen	Ratio of firemen to brakemen
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
July–December 1921	$4.60	$4.55	$0.05	101.1	[1] $2,208	[1] $1,850	$358	119.4
1922	4.60	4.50	.10	102.2	2,216	1,844	372	120.2
1923	4.62	4.49	.13	102.9	2,255	1,874	381	120.3
1924	4.74	4.71	.03	100.6	2,316	1,970	346	117.6
1925	4.88	4.79	.09	101.9	2,396	2,003	393	119.6
1926	4.91	4.79	.12	102.5	2,409	2,015	394	119.6
1927	5.09	4.97	.12	102.4	2,488	2,072	416	120.1
1928	5.21	5.00	.21	104.2	2,562	2,074	488	123.5
1929	5.27	5.14	.13	102.5	2,619	2,161	458	121.2
1930	5.29	5.14	.15	102.9	2,559	2,135	424	119.9
1931	5.29	5.13	.16	103.1	2,499	2,082	417	120.0
1932	4.83	4.66	.17	103.6	2,184	1,821	363	119.9
1933	4.78	4.63	.15	103.2	2,096	1,719	377	121.9
1934	4.85	4.70	.15	103.2	2,146	1,792	354	119.8
1935	5.25	5.08	.17	103.3	2,368	1,996	372	118.6
1936	5.33	5.13	.20	103.9	2,500	2,080	420	120.2
1937	5.43	5.23	.20	103.8	2,572	2,130	442	120.8
1938	5.79	5.57	.22	103.9	2,695	2,251	444	119.7
1939	5.80	5.55	.25	104.5	2,732	2,284	448	119.6
1940	5.79	5.55	.24	104.3	2,746	2,299	447	119.4
1941	5.98	5.75	.23	104.0	2,936	2,461	475	119.3
1942	6.57	6.40	.17	102.7	3,379	2,900	479	116.5
1943	6.81	6.68	.13	101.9	3,668	3,237	431	113.3
1944	7.35	7.20	.15	102.1	4,064	3,557	507	114.3
1945	7.37	7.23	.14	101.9	4,092	3,622	470	113.0
1946	8.70	8.55	.15	101.8	4,545	3,954	591	114.9
1947	8.84	8.78	.06	100.7	4,544	3,887	657	116.9
1948	10.19	9.97	.22	102.2	5,219	4,476	743	116.6
1949	11.00	10.64	.36	103.4	5,663	4,775	888	118.6
1950 [2]	11.15	10.78	.37	103.4	5,789	4,845	944	119.5
1951 [2]	12.46	12.07	.39	103.2	6,426	5,439	987	118.1
1952 [2]	13.05	12.67	.38	103.0	6,743	5,605	1,138	120.3
1953	13.41	12.97	.44	103.4	6,860	5,627	1,233	121.9
January–June 1954	13.93	13.44	.49	103.6	[1] 7,035	[1] 5,839	1,196	120.5

[1] Annual basis.

[2] Adjusted to include retroactive wage increases.

Source: I. C. C. Statements M-300.

TABLE 18.—*Average basic daily rates and average annual earnings*

FIREMEN AND BRAKEMEN AND FLAGMEN IN FREIGHT SERVICE

Year	Average basic daily rates—through freight				Average basic daily rates—local freight				Average annual earnings—freight service			
	Firemen (Div. 126)	Brakemen and flagmen (Div. 117)	Differential, firemen over brakemen	Ratio of firemen to brakemen	Firemen (Div. 127)	Brakemen and flagmen (Div. 118)	Differential, firemen over brakemen	Ratio of firemen to brakemen	Firemen (Divs. 126 and 127)	Brakemen and flagmen (Divs. 117 and 118)	Differential, firemen over brakemen	Ratio of firemen to brakemen
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
July–December—1921	$5.44	$4.61	$0.83	118.0	$5.52	$5.01	$0.51	110.2	[1] $1,956	[1] $1,845	$111	106.0
1922	5.41	4.61	.80	117.4	5.47	4.97	.50	110.1	2,086	1,955	131	106.7
1923	5.43	4.62	.81	117.5	5.52	4.99	.53	110.6	2,145	2,026	119	105.9
1924	5.58	4.86	.72	114.8	5.66	5.24	.42	108.0	2,094	2,021	73	103.6
1925	5.81	4.96	.85	117.1	5.89	5.35	.54	110.1	2,221	2,073	148	107.1
1926	5.84	4.96	.88	117.7	5.92	5.37	.55	110.2	2,270	2,090	180	108.6
1927	6.03	5.14	.89	117.3	6.11	5.56	.55	109.9	2,289	2,109	180	108.5
1928	6.18	5.15	1.03	120.0	6.26	5.59	.67	112.0	2,328	2,095	233	111.1
1929	6.28	5.29	.99	118.7	6.38	5.74	.64	111.1	2,392	2,175	217	110.0
1930	6.29	5.29	1.00	118.9	6.40	5.75	.65	111.3	2,229	2,065	164	107.9
1931	6.30	5.28	1.02	119.3	6.40	5.74	.66	111.5	2,111	1,952	159	108.1
1932	5.75	4.82	.93	119.3	5.82	5.21	.61	111.7	1,847	1,708	139	108.1
1933	5.70	4.77	.93	119.5	5.76	5.15	.61	111.8	1,727	1,613	114	107.1
1934	5.77	4.84	.93	119.2	5.84	5.22	.62	111.9	1,763	1,651	112	106.8
1935	6.23	5.24	.99	118.9	6.33	5.63	.70	112.4	1,967	1,844	123	106.7
1936	6.32	5.31	1.01	119.0	6.41	5.71	.70	112.3	2,130	1,983	147	107.4
1937	6.41	5.39	1.02	118.9	6.52	5.84	.68	111.6	2,138	2,012	126	106.3
1938	6.79	5.75	1.04	118.1	6.86	6.17	.69	111.2	2,167	2,051	116	105.7
1939	6.77	5.73	1.04	118.2	6.88	6.18	.70	111.3	2,287	2,135	152	107.1
1940	6.76	5.72	1.04	118.2	6.89	6.18	.71	111.5	2,380	2,198	182	108.3
1941	6.96	5.91	1.05	117.8	7.09	6.37	.72	111.3	2,643	2,427	216	108.9
1942	7.50	6.49	1.01	115.6	7.64	6.94	.70	110.1	3,001	2,808	193	106.9
1943	7.75	6.72	1.03	115.3	7.91	7.20	.71	109.9	3,155	3,969	186	106.3
1944	8.35	7.22	1.13	115.7	8.39	7.68	.71	109.2	3,425	3,246	179	105.5
1945	8.41	7.25	1.16	116.0	8.41	7.66	.75	109.8	3,360	3,190	170	105.3
1946	9.88	8.64	1.24	114.4	9.87	9.09	.78	108.6	3,691	3,567	124	103.5
1947	9.98	8.93	1.05	111.8	9.95	9.39	.56	106.0	3,830	3,800	30	100.8
1948	11.40	10.12	1.28	112.6	11.37	10.58	.79	107.5	4,355	4,256	99	102.3
1949	12.21	10.74	1.47	113.7	12.11	11.20	.91	108.1	6,699	4,340	159	103.7
1950 [2]	12.44	10.85	1.59	114.7	12.26	11.30	.96	108.5	4,798	4,570	228	105.0
1951 [2]	13.83	12.16	1.67	113.7	13.60	12.64	.96	107.6	5,170	5,014	156	103.1
1952 [2]	14.59	12.79	1.80	114.1	14.29	13.18	1.11	108.4	5,466	5,248	218	104.2
1953	15.03	13.08	1.95	114.9	14.66	13.49	1.17	108.7	5,541	5,298	243	104.6
January–June 1954	15.68	13.58	2.10	115.5	15.24	13.94	1.30	109.3	[1] 5,676	[1] 5,355	321	106.0

[1] Annual basis.

[2] Adjusted to include retroactive wage increases.

Source: I. C. C. Statements M-300.

(19) The Organization concentrates its wage comparisons exclusively on the wage relationship between train service and engine service employees. The Carriers, on the other hand, hold that insofar as historic wage relationships are to be considered (and they hold wage differentials should have only a "very minor part" in determining the issues of this proceeding) comparisons should be made with all classes of railroad employees. The Board does not fully agree with either of these views. As was concluded in paragraphs (2–4) above in Part A of this discussion, the wage structure of operating employees constitutes a relatively self-contained entity. Among operating classifications wage relationships are particularly sensitive. The Board concurs with the statement of Emergency Board No. 97 that the "most important inequities are those felt and suffered closest to home." (Tr. 2183.)

The Board believes it would be unwise to consider any pair of wage relationships within the operating classifications without at the same time considering all other wage relationships within this group. There are relations in the wages of nonoperating and operating employees, as the Carriers point out, but such dependencies are most significant for purposes of general increases which set the level of wages in the whole industry. The wages of nonoperating employees, or even changes in their wages, appear to be of little significance for genuine questions of wage relations among operating employees.

(20) The Board has not adopted any single fixed base period from which to test wage relationships among operating employees. Rather has the Board examined wage relationships throughout the whole period for which data are available. Many of the wage relationships among operating classifications are seen to be long-established and relatively invariant. Under similar circumstances the Report of the First Diesel Board, dated May 24, 1943, stated:

> Practice may become principle. Rights may be grounded in custom. (Carriers' Ex. 40, p. 16; and Employees' Ex. 4, p. 10.)

The Board believes that a large displacement of an established differential in a brief period deserves greater attention than small gradual changes.

(21) There is a conflict between the parties over whether wage relationships should be expressed exclusively in dollars and cents (Tr. 505–509), or whether there is also significance in percentage differentials (Tr. 3299). In the view of the Board a distinction is to be drawn between the measurement of wage differentials and an appraisal of their significance. It is obvious that wages are paid in dollars and cents, and it is equally accurate to measure their change in dollars and cents or in percentage terms. For purposes of measure-

ment alone neither method is to be preferred, each is equally satisfactory, provided the arithmetic is correct. Indeed, it is normally helpful to have both types of measures of change at hand.

In appraising the significance of both measures of wage change, the crucial question is the way in which the parties—Carriers, Organization and the individual employees—have in fact conceived of wage relationships. In industry generally the occupational wage structure, expressed in wage rates or hourly earnings, in recent years has typically widened in dollar-and-cent terms and narrowed in percentage terms. Occupational relationships have been conceived of by parties in other industries as falling somewhere in between equal percentage and equal dollar-and-cent increases. In the operating classifications on railroads, on the other hand, for a variety of reasons, wage settlements have tended to preserve equal dollars and cents differentials by virtue of pattern settlements expressed in these terms. The custom of the industry for many years has been to deal with wage relationships among basic daily rates in dollars and cents terms. The question whether this custom shall be continued in the future is a different issue not before this Board.

(22) There is conflict between the parties over whether wage relationships should be measured in terms of average basic daily rates exclusively or whether average annual earnings also have significance. Again, it is equally valid as a matter of arithmetic to use either measure. Both sets of wage data are equally true. The significance of these wage data in appraising a wage structure is a different matter. The question amounts to indicating the factors that should be considered in appraising wage relationships. Annual earnings are influenced by a great many more factors than basic daily rates. The Board believes that annual earnings are significant for wage relationships among operating classifications, or put in other terms the Board believes that all pay rules are relevant to appraising wage relationships among classifications (Carriers' Ex. 9). This conclusion does not indicate the relative weight to be given the various pay rules in any appraisal of rate relationships.

(23) These conclusions (paragraphs 19–22) on wage measures and relationships, on which the parties presented conflicting contentions (paragraph 17) facilitate the examination of the wage data presented in the preceding tables, 11–18, and highlight particular observations.

(*a*) In passenger service while there is a small drift in average basic daily rates reducing the extent to which conductors are above engineers and firemen, the change is not substantial nor is it rapid. Between 1945 and 1953, an eight-year period, the average basic daily rate of conductors in passenger service lost 17 cents per day in relative position to the engineer and 18 cents per day to the fireman. The

engineer gained 29 cents per day on the brakeman, and the fireman gained 35 cents per day on the brakeman between 1945 and 1953. These are small and gradual changes.

On an annual earnings basis the passenger engineer has done somewhat better in relative terms; the ratio of engineer to conductors rose from 110.8 in 1945 to 114.1 in 1953. The pay relationships between train and engine service employees in passenger service are substantially affected by the differences in the basic day rules (5 hours for passenger enginemen and 7½ hours for passenger trainmen) and by the different number of hours and miles worked per year.

(*b*) In local freight service the drift in average basic daily rates increasing the differential of the engineer over the conductor and reducing the differential of the conductor over the fireman has been somewhat larger than in passenger service, but still not substantial. In the eight years between 1945 and 1953, the engineers gained 53 cents and firemen 48 cents in average basic daily rates relative to the conductor. In the same period, the engineer gained 47 cents per day relative to the brakeman, and the fireman gained 42 cents per day relative to the brakeman.

(*c*) In through freight service the changes in relative average basic daily rates have been very much larger. Between 1945 and 1953 the differential of the engineer over the conductor increased 96 cents, which had further increased to $1.09 by January–June 1954. In the 1945–53 period the engineer gained 93 cents per day relative to the brakeman and the fireman gained 79 cents per day relative to the brakeman. Between 1950 and January–June 1954, the increase in the differential between engineer and conductor was 59 cents. In the same period the average basic daily rate of fireman increased by 52 cents over the conductor. Compared to earlier years, the changes in differentials in through freight service since 1949 or 1950 have been rapid and substantial.

It is not possible to separate the annual earnings of through freight employees from those in way freight; annual earnings data are consequently shown for both types of freight service combined. Annual earnings of conductors in freight service have increased percentagewise relative to those of engineers since the absolute dollar differentials have changed little at the higher levels. There have been no significant changes in the components of annual earnings in freight service between conductors and engineers. (Carriers' Ex. 9, p. 4.) Annual earnings in both classifications have moved up about the same dollar amount. The changes in basic daily rates seem to have been the decisive factor changing annual earnings for both classifications. Changes in pay rules do not appear to have played any significant role in influencing relative changes in annual earnings.

(24) The Board concludes that the data on wage relationships highlight a disparity in average basic daily rates for conductors in through freight service as compared to other operating classifications. The fact stands out that substantial disparity in through freight service has arisen in recent years which has grown rapidly. The other wage relationships in other classes of service reflect no such marked or rapid displacement.

(25) The Organization proposes in all three classes of service to adopt the principle of graduated rates of pay based upon weight on drivers. It specifically proposes to apply the present average basic daily rate to the smallest sized locomotives behind which conductors and brakemen work, and to build a graduated pay scale on top of this rate; higher rates would apply for each bracket of heavier locomotives based on weight on drivers.

The specific proposal of the Organization is shown in the following table for conductors. (Employees' Ex. 2, p. 3.)

TABLE 19.—*Proposed standard basic daily rates graduated basis of pay, conductors*

Classification of locomotive (weight on drivers) in thousand pounds	Through freight service	Local and way freight service	Passenger service
Less than 100	$14.82	$15.38	$15.40
100–140	14.82	15.38	15.49
140–170	15.25	15.81	15.57
170–200	15.25	15.81	15.66
200–250	15.42	15.98	15.75
250–300	15.57	16.13	15.83
300–350	15.72	16.28	15.92
350–400	15.93	16.49	16.00
400–450	16.14	16.70	16.09
450–500	16.35	16.91	16.18
500–550	16.56	17.12	16.26
550–600	16.74	17.30	16.35
600–650	16.92	17.48	16.43
650–700	17.10	17.66	16.52
700–750	17.28	17.84	16.60
750–800	17.46	18.02	16.69
800–850	17.64	18.20	16.77
850–900	17.82	18.38	16.86
900–950	18.00	18.56	16.94
950–1,000 [1]	18.18	18.74	17.03

[1] On through freight and local and way freight 18 cents is to be added for each additional 50,000 pounds or fraction thereof over a million pounds weight on drivers. In passenger service 8 cents and 9 cents alternatively is to be added for each additional 50,000 pounds or fraction thereof.
Western rates, because of the doubleheader rule, are lower than the Eastern and Southeastern rates quoted above.

(26) The Organization supports its proposal for graduated rates of pay based on weight on drivers with the following major arguments: (*a*) The train crew who work in close association with the engine crew should be paid on the same basis. (*b*) Heavier power means longer trains. (*c*) Heavier power has thus increased the responsibility, work assignment and hazard of the train crew. (*d*) The train crew should share directly in the increased productivity associated with heavier power and longer trains to which they contribute

with the engine crew. (*e*) The graduated rates of pay based on weight on drivers is a system of compensation well understood and readily administrable. (*f*) The adoption of the proposed graduation system would remove the inequities in wage relationships produced by the effect of heavier power on the average basic daily rates of engineers and firemen and would preserve the restored wage relationships in the future.

The Carriers reject outright the proposal to add this new element to the compensation system of train service employees. The main points in their argument are as follows: (*a*) There is no significant nor consistent relationship between the length of trains and the weight or size of locomotives hauling them. While there may be a loose relationship on a single division, there is no significant relationship when a combination of divisions is considered. (*b*) Longer and heavier trains do not make for more work and responsibility for conductors and trainmen. Most of the elements of job content of these employees are wholly unaffected by the length of train. The work of train service employees tends to become easier as weight on drivers increases. (*c*) Changes in productivity may be applicable to changes in the general level of wage rates for the country as a whole, but changes in productivity cannot be used to support a change in a single element of compensation for a small group of employees in an industry. (*d*) Conductors and brakemen have been compensated on a single rate basis from the very outset of the industry while engineers and firemen have been compensated from very early years on some graduated basis. There is no basis to change these historical arrangements. (*e*) The proposal of the Organization is in effect a general increase since it is designed to provide increases for virtually all employees in the designated classifications. Such an increase would destroy the pattern settlements of 1953–54 and disrupt the existing pattern of peace in the industry. (*f*) Such a general increase would impose a financial burden that would endanger the financial health of the railroad industry.

(27) In the view of the Board, the crucial issue at this point is the relation between weight on drivers and the length of trains and the work performed by train service employees. The graduated rates of pay for engineers and firemen were originally adopted and standardized, as Section III of this report shows, in general recognition of the fact that the skill, effort and responsibilities of the engine crew varied directly and uniquely with the size of locomotives, as measured by weight on drivers. Graduated rates of pay based on weight on drivers should be extended to train service employees only on a comparable showing that variations in weight on drivers directly and consistently reflect variations in the work performed by train service classifications.

It is agreed that there is some relation between weight on drivers and length of train on a single division.

* * * the railroads would not send a boy to do a man's work. (Tr. 1158.)

It is also clear that over recent years there has been a tendency for both average weight on drivers and average length of trains to increase (Employees' Ex. 4, p. 5). But such average relationships do not in themselves constitute a basis to add new elements to the compensation system.

A component of compensation should meet the test of equitable treatment among employees similarly situated. The Board has hence been concerned with the stability and consistency of the relation between weight on drivers and train length and job content. If the same weight on drivers is associated with wide variations in train length and job content (and if considerably different weights on drivers are found with the same train length and job content), then under the Organization's proposal similarly situated employees would be treated differently and the compensation system would not be equitable among different employees.

(28) The record contains considerable evidence on the relation of weight on drivers to train length. (Employees' Exs. 4; 10, pp. 8–13; 15, pp. 40–47; Carriers' Exs. 23, 24, 26, 27, 28, 44, 52–57.) On review of this material, the Board is impressed with the large number of factors other than weight on drivers which appear to have an independent influence on train lengths.

(*a*) Greater weight on drivers may be designed to increase the speed of a train of a given length. Indeed, the correlation between speed (time on duty) and weight on drivers is as high or higher than that between length of train and weight on drivers. (Carriers' Ex. 55.)

(*b*) The volume of available business, or type of business, is an independent factor influencing length of train, particularly for fast freight trains operating on an established schedule.

(*c*) The physical conditions of the run, i. e. grades and curves, length of sidings, weather conditions, and congestion in yards, independently affect the amount of power and train length.

(*d*) Diesel power is used in "cycles" over a number of divisions, with the consequence that trains of varying length are handled with a given weight on drivers on any one division.

(*e*) It is necessary to distribute diesel power throughout a railroad property to maintain an operating balance. As a consequence, a larger number of diesel units may be used on a train of given length in order to redistribute locomotives.

(29) The Board concludes on the evidence before it that the pro-

posed graduated rate of pay tables based on weight on drivers of locomotives should not be extended to train service employees. The relationship of the work of these employees to the weight of the locomotives behind which they work is not sufficiently clear, direct, and consistent to warrant incorporating in their wage structure the formula which has been applied over the years for computing the pay of the engine crew. Conductors working behind locomotives with the same weight on drivers often have very different assignments.

The Board is also impressed with the complex task of revision in a large number of pay rules, such as terminal delay and deadheading rules (Carriers' Ex. 4) that would be required in order to determine a day's pay or the rate of pay under varying circumstances should graduated rates of pay based on weight on drivers be adopted. The specific proposal of the Organization for graduated rates of pay would not in fact restore the wage relationships sought by the Organization, and would substantially distort the relationships among classes of service on account of the very large effect of the proposed graduated tables on basic daily rates of train service employees in through freight service. (Carriers' Ex. 18, p. 8.)

(30) The Board has reached no conclusion regarding any other method of graduated rates of pay for train service employees other than weight on drivers which was the method first proposed by the Organization in its proposition of March 15, 1949. The Board does not believe that the record of this case is sufficiently focused upon the issues involved in other methods of graduated rates of pay to warrant a considered judgment on their equity or practicality.

The Board recognizes that the substantial disparity in average basic daily rates between conductors and the engine crew in through freight service, found in paragraph (24) above, is an average figure. The disparity has not grown in the same degree for all train assignments. The disparity has clearly grown most where heavier power has been used.

(31) The Board makes brief comments on the discussion by the parties of the role of productivity in this case. The Carriers relate changes in wages to increases in productivity in the country as a whole.

> * * * the Carriers are not opposing the theory that their employees should share in the net gains which accompany increased productivity of the economy as a whole. (Tr. 2706.)

The Organization argues that graduated rates based on weight on drivers is required to share in the gains of productivity arising from heavier power and longer trains. The Board does not find that the contribution of train service employees to railroad productivity in the operation of longer trains is clear and definite enough of itself to war-

rant special added compensation. The Board believes that in fact all employees have shared in the gains of productivity in this industry through general wage increases, and road service employees have also shared in gains of productivity under the piecework or mileage system of pay. Under the mileage system they have had shorter time on duty for a given run at the same compensation.

(32) The record in this case contains a great deal of testimony concerning the job content of the conductors and brakemen and, indeed, of the other principal operating classifications as well. The organization states:

> This Board has before it the most comprehensive descriptions of the job content of all four operating crafts *that have ever been offered in one single case before any Emergency or Arbitration Board in the history of these types of proceedings.* (Summary Statement, p. 73.)

But the Board has had no opportunity to make a first-hand study of the work of the train crew as a whole. Its assignment is limited to a dispute between the ORC&B and the Carriers. It has been permitted to see the work of the engine crew only by mirrors which reflect the views of others than the workers themselves who are engaged in the engine classifications.

The considerable evidence on job content of train service employees is also difficult to evaluate because there is no recognized standard in this industry by which elements of the duties, skills, responsibilities, and hazards of a job can be weighed or combined. The testimony of the Carriers is that jobs have become easier and less hazardous. The Organization holds that the labor, responsibility and hazard of jobs have become greater with longer trains and increased speeds. How is one to measure the change in any one element of a job such as the responsibility or hazard? How is one to combine these various elements into a judgment as to the change in the job as a whole? The breakdown of jobs into the number of minutes spent at each operation is not necessarily an index of the relative worth or ranking of jobs for setting wage rates. (Carriers' Ex. 28, pp. 5–6.)

There is a further fundamental difficulty with the job content evidence presented by both parties. The relation between variations in actual job duties and compensation is quite different for craft occupations than for production or office jobs. Among a family of related production jobs, even relatively minor variations in job content typically result in changes in wage relationships. But craft wage rates are not set in such close relation to job content, and gradual changes in duties are not likely to be reflected in wage changes. Craftsmen are more apt to be paid for what they are capable of doing than what they actually do. Craft wages are more influenced by wage relationships and other such factors determining wages than by changes in

job content. While these observations are drawn from the experience of industry generally, they also appear to apply to the principal operating classifications on the railroads which are well recognized crafts or occupations.

Evidence on changes in job content is even further complicated by the practice of varying the number of conductors and brakemen assigned to a train. The duties on a train may change, but the number of men assigned may also vary.

The Board does not believe that changes in job content, except in extreme cases of changes in duties, is an operational standard by which to appraise relative wage relationships among operating classifications on the railroads in the absence of recognized or agreed upon standards of measuring job content as a whole. It appears that as in industry generally, physical effort has become less important, jobs are more pleasant and safer, while responsibility has increased. (Tr. 1462.) But there are no objective standards on the railroads to make additive these various changes in the elements of a job.

(33) Carriers lay great stress on the pattern settlement of wage movements. They vigorously resist efforts of individual groups from progressing to success pleas for special consideration independent of general wage adjustments. While conceding the need to rectify gross inequities, they insist that the inequity must be one which is recognized within the whole category of labor organizations. The pressures for uniformity are such that any deviation causes a multitude of demands to sprout for identical favors in wage rates or conditions of employment.

The position of the Organization is, however, that the extension of the weight on drivers table following the recommendation of the 1943 Emergency Board in the First Diesel case was itself a deviation from the pattern settlement and has resulted in grave and continuing inequity against conductors and brakemen. Carrier witnesses admit that the extension did result in giving an advantage to the engine crew, though they deny that the wider disparity in wage rates has resulted in an inequity to the train crew. (Tr. 2352.)

While the Board is mindful of the fear of the Carriers that any concession to an employee organization will upset carefully and painfully determined uniform settlements of issues, it feels that this case should be considered on its merits. This Organization has pursued this demand with persistence and diligence, has kept it alive through the various stages of negotiation and in agreeing to the pattern settlement of 1953–54 expressly reserved freedom to progress this specific demand.

The Board believes that the 1953–54 wage movement has in fact been completed and that this case and other pending operating de-

mands concern a subsequent movement. Moreover, the pattern settlement principle applies with particular force to general wage changes and is not relevant to changes in wage structures designed to correct genuine inequities.

(34) The ability to pay evidence and argument of the parties, as a consequence of earlier conclusions in this discussion, is of much less significance in this case than it would be in one involving a general wage increase or propositions which added considerably to labor costs. The recommendations of this Board involve no change in the average basic daily rates of employees in passenger service, yard service or local or way freight service. Through freight conductors numbered 8,982 in the second quarter of 1954, out of a total of 23,822 in the three classes of road service, or out of a total of 45,520, if yard foremen are included. (Carriers' Ex. 8, p. 13, 17.) The proposed change in wage structure will have a relatively small impact on railroad labor costs. The burden of added costs will fall on that class of service in the relatively strongest financial position.

(35) The Board has concluded that the disparity in average daily rates for conductors in through freight service that has arisen in recent years constitutes an inequity which should be corrected.

The Railroads do not take the position that correction of a genuine inequity or inequality is beyond the discretion of an emergency board. (Carriers' Brief, p. 33, Tr. 2364.)

The Board believes there are clear and compelling reasons for this conclusion, which are in summary as follows: The displacement in average basic daily rates in through freight service has been pronounced and rapid in recent years. It stands out sharply in comparison to all other wage relationships among operating classifications. The close working associations of all members of the train crew has accentuated the problem and helped to create a sense of injustice and injury. It is our judgment on the evidence that the responsibility of the conductor on long fast freight trains has increased. The conductor is the superior officer of the train, and is so recognized by the Carriers, by fellow employees, and by the public. When his relative pay position in comparison with that of engine service employees with whom he works has substantially and rapidly deteriorated as is true in through freight service, he not only suffers inequity as to his pay but also in the prestige which properly attaches to the position he holds in the industry.

(36) While the conclusions of Emergency Board 81 which considered this same issue in its Report dated June 15, 1950, are not binding on this Board, our conclusions are entirely consistent. We, too, have concluded, on the evidence presented, that the proposed graduated rate of pay tables based on weight on drivers of locomotives should not be

extended to train service employees. We find, however, a distortion in wage relationships which merits correction. The disparity has grown sharply since the date of that report.

(37) The Board has carefully considered the relation between its recommendation for a comprehensive review of the operating wage rate structure and its conclusions that an inequity has arisen in the average basic daily rates for through freight conductors. It might be held that no single change in wage rate structure should be made without the prior completion of the type of comprehensive review by all parties that is recommended in this report. (Tr. 1535.)

Much might be said for such a view, if the proposal before this Board had just been initiated, and if the disparity was relatively minor or marginal. But in the present case the proposition of the Organization dates from March 15, 1949. It is of long standing and has been the source of most serious controversy. The disparity in through freight service has risen sharply in recent years. Under these circumstances the Board believes it would be unjust to postpone indefinitely the correction of the disparity in through freight service. This does not mean that the Board believes any less in the necessity for the comprehensive review; it believes on the considerable evidence before it that such a review would in fact provide a correction for this inequity in view of its demonstrable existence.

The parties need not at the present time develop a final solution to this inequity in through freight service. They may prefer an interim arrangement pending the completion of the more comprehensive wage rate structure review.

RECOMMENDATION

The Organization and the Carriers should resume collective bargaining negotiations to settle this dispute by agreement in accordance with the following recommendations: (*a*) The Organization withdraw its proposal for graduated rate of pay tables based upon weight on drivers. (*b*) The Carriers and the Organization agree upon an increase in compensation designed to eliminate the inequity in the average basic daily rates of conductors in through freight service that has arisen in recent years. One method to accomplish this purpose would be to increase the basic daily rates for conductors in through freight service. Other methods will occur to experienced negotiators that may be even more suitable.

By this recommendation the Board seeks to remove barriers which have blocked previous settlement of this dispute and to point up a more limited area of negotiation in which it believes experienced negotiators will reach a fair and equitable solution to the problem presented to this Board.

VII. RECOMMENDATIONS

(1) There should be established a commission to review and to modernize the wage rate structure as a whole of the operating classifications in the railroad industry. We believe that such a comprehensive review is long overdue and its essential to the correction of wage inequities, to mutually constructive industrial relations and to the efficient operation of the railroads. It is recommended that such a commission be established in accordance with the principles and guideposts outlined in the above discussion.

(2) The Organization and the Carriers should resume collective bargaining negotiations to settle this dispute by agreement in accordance with the following recommendations: (*a*) The Organization withdraw its proposal for graduated rate of pay tables based upon weight on drivers. (*b*) The Carriers and the Organization agree upon an increase in compensation designed to eliminate the inequity in the average basic daily rates of conductors in through freight service that has arisen in recent years. One method to accomplish this purpose would be to increase the basic daily rates for conductors in through freight service. Other methods will occur to experienced negotiators that may be even more suitable.

Respectfully submitted.

EDWARD M. SHARPE, *Chairman.*
CHARLES A. SPRAGUE, *Member.*
JOHN T. DUNLOP, *Member.*

APPENDICES

APPENDIX A

EXECUTIVE ORDER 10578

CREATING AN EMERGENCY BOARD TO INVESTIGATE A DISPUTE BETWEEN CERTAIN CARRIERS REPRESENTED BY THE EASTERN, WESTERN, AND SOUTHEASTERN CARRIERS' CONFERENCE COMMITTEES AND CERTAIN OF THEIR EMPLOYEES

WHEREAS a dispute exists between certain carriers represented by the Eastern, Western, and Southeastern Carrier's Conference Committees which are designated in List A attached hereto and made a part hereof, and certain of their employees represented by the Order of Railway Conductors and Brakemen, a labor organization; and

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

WHEREAS this dispute, in the judgment of the National Mediation Board, threatens substantially to interrupt interstate commerce to a degree such as to deprive the country of essential transportation service:

NOW, THEREFORE, by virtue of the authority vested in me by section 10 of the Railway Labor Act, as amended (45 U. S. C. 160), I hereby create a board of three members, to be appointed by me, to investigate the said dispute. No member of the said board shall be pecuniarily or otherwise interested in any organization of employees or any carrier.

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

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

DWIGHT D. EISENHOWER.

THE WHITE HOUSE,
November 23, 1954.

APPENDIX B

List of Appearances in Behalf of the Carriers

Eastern Carriers' Conference Committee

L. W. Horning (chairman), vice president, personnel, New York Central System.
E. P. Gangewere, vice president, operation and maintenance, Reading Co.
F. J. Goebel, vice president, personnel, Baltimore & Ohio Railroad.
H. E. Jones, chairman, executive committee, Bureau of Information of the Eastern Railways.
J. W. Oram, assistant vice president, operation-personnel, Pennsylvania Railroad System.
G. C. White, assistant vice president, Erie Railroad Co.

Western Carriers' Conference Committee

D. P. Loomis (chairman), chairman, the Association of Western Railways.
C. M. Buckley, assistant to vice president, Southern Pacific Co.
L. D. Comer, assistant to vice president, the Atchison, Topeka and Santa Fe Railway.
E. J. Connors, vice president, Union Pacific Railroad.
T. Short, chief personnel officer, Missouri Pacific Lines.
J. E. Wolfe, assistant vice president, Chicago, Burlington and Quincy Railroad.
R. F. Welsh, executive secretary, the association of Western Railways.

Southeastern Carriers' Conference Committee

W. S. Baker (chairman), assistant vice president, Atlantic Coast Line Railroad.
B. B. Bryant, assistant vice president, Chesapeake & Ohio Railway.
Fred A. Burroughs, assistant vice president, Southern Railway.
F. K. Day, Jr. (vice chairman), assistant general manager, Norfolk & Western Railway.
G. C. Howard, director of personnel, Louisville & Nashville Railroad.
C. A. McRee, assistant vice president, Seaboard Air Line Railroad.
A. J. Bier, manager, Bureau of Information of the Southeastern Railways.

Counsel for the Carriers' Conference Committees

S. R. Prince, Jr., general attorney, the Baltimore & Ohio Railroad Co.
J. A. Wilcox, general attorney, Union Pacific Railroad.
T. C. DeButts, assistant counsel for the Carrier Members, First Division, National Railroad Adjustment Board.
Frederic W. Hickman, John C. Walker, and Howard Neitzert, Sidley, Austin, Burgess & Smith, Chicago.

LIST OF APPEARANCES IN BEHALF OF THE ORDER OF RAILWAY CONDUCTORS AND BRAKEMEN

R. O. Hughes, president.
J. A. Paddock, senior vice president.
O. D. Hinman, vice president.

EXECUTIVE COMMITTEE

M. J. Milner, Great Northern.
L. J. Wagner, Duluth, Missabe & Iron Range.
P. I. Hylton, Union Pacific, South Central District.
D. A. Melbourne, Elgin, Joliet & Eastern.
J. W. Kilgour, Chicago & North Western.
J. R. Kelly, Reading Co.
S. E. Shipley, Pittsburgh & Lake Erie.
W. E. Muldoon, Central Vermont.
D. J. Humphrey, Chesapeake & Ohio, Hocking Valley District.
A. DeWaters, Staten Island Rapid Transit.
W. E. King, Atlantic Coast Line.
J. A. Raynes, Southern Railway.
J. A. Scott, Georgia Railroad.
E. L. Sutton, Norfolk Southern.
W. W. Cochrane, Seaboard Air Line.
E. L. Oliver, Economist, Labor Bureau of Middle West, 1001 Connecticut Avenue, Washington, D. C.
V. C. Shuttleworth and
Harry Wilmarth, general counsel for the Order of Railway Conductors and Brakemen, of the firm of Elliott, Shuttleworth & Ingersoll, 1120 Merchants National Bank Building, Cedar Rapids, Iowa.

APPENDIX C

Carriers as Listed by Regions

Eastern Region

Baltimore and Ohio Railroad Co.: Staten Island Rapid Transit Railway Co.
Central Railroad Co. of New Jersey.
Central Vermont Railway, Inc.
Chicago, Indianapolis & Louisville Railway.
Delaware & Hudson Railroad Corp.
Detroit & Toledo Shore Line Railroad.
Grand Trunk Western Railroad Co.
Lehigh & New England Railroad Co.
Lehigh Valley Railroad Co.
Monongahela Railway.
New York Central System:

- New York Central Railroad, Buffalo and east.
- New York Central Railroad, west of Buffalo.
  - Ohio Central Division.
- Michigan Central Railroad.
- Cleveland, Cincinnati, Chicago & St. Louis Railway.
  - Peoria & Eastern Railway.
- Boston & Albany Railroad.
- Pittsburgh & Lake Erie Railroad.

New York, Chicago & St. Louis Railroad Co., Wheeling and Lake Erie District.
Pittsburgh & West Virginia Railway Co.
Reading Co.

Western Region

Atchison, Topeka & Santa Fe Railway:

- Gulf, Colorado & Santa Fe Railway.
- Panhandle & Santa Fe Railway.

Camas Prairie Railroad Co.
Chicago & North Western Railway.
Chicago, Burlington & Quincy Railroad.
Chicago Great Western Railway Co.
Chicago, Milwaukee, St. Paul & Pacific Railroad.
Chicago, Rock Island & Pacific Railroad Company: Joint Texas Division of C. R. I. & P. Railroad and Fort W. & D. Railway.
Chicago, St. Paul, Minneapolis & Omaha Railway.
Denver & Rio Grande Western Railroad.
Duluth, Missabe & Iron Range Railway.
Elgin, Joliet & Eastern Railway.

WESTERN REGION—Continued

Fort Worth and Denver Railway.
Great Northern Railway Co.
Gulf Coast Lines:

- Asherton & Gulf Railway.
- Asphalt Belt Railway.
- Beaumont, Sour Lake & Western Railway.
- Houston & Brazos Valley Railway.
- Houston North Shore Railway.
- Iberia, St. Mary & Eastern Railroad.
- New Iberia & Northern Railroad.
- New Orleans, Texas & Mexico Railway.
- Orange & Northwestern Railroad.
- Rio Grande City Railway.
- St. Louis, Brownsville & Mexico Railway.
- San Antonio Southern Railway.
- San Antonio, Uvalde & Gulf Railroad.
- San Benito & Rio Grande Valley Railway.
- Sugar Land Railway.

Illinois Central Railroad Co.
International-Great Northern Railroad
Kansas City Southern Railway: Arkansas Western Railway.
Kansas, Oklahoma & Gulf Railway: Oklahoma City-Ada-Atoka Railway.
Louisiana & Arkansas Railway.
Minneapolis & St. Louis Railway Co.
Minneapolis, St. Paul & Sault Ste. Marie Railroad Co.
Missouri–Kansas–Texas Railroad Co.: Missouri–Kansas–Texas Railroad Co. of Texas.
Missouri Pacific Railroad Co.: Missouri–Illinois Railroad.
Northern Pacific Railway Co.
Northwestern Pacific Railroad.
Oregon, California & Eastern Railway Co.
St. Louis-San Francisco Railway Company: St. Louis, San Francisco & Texas Railway.
San Diego & Arizona Eastern Railway.
Southern Pacific Co. (Pacific Lines) excluding former El Paso & Southwestern System.
Southern Pacific Co. (Pacific Lines) former El Paso & Southwestern System.
Spokane, Portland & Seattle Railway:

- Oregon Electric Railway.
- Oregon Trunk Railway.

Texas & New Orleans Railroad.
Texas and Pacific Railway:

- Abilene & Southern Railway.
- Texas–New Mexico Railway.
- Texas Short Line Railway.
- Weatherford Mineral Wells & Northwestern Railway.

Union Pacific Railroad.
Wabash Railroad—lines west of Detroit.
Western Pacific Railroad.

SOUTHEASTERN REGION

Atlantic Coast Line Railroad.
Atlanta & West Point: Western Railway of Alabama.
Central of Georgia Railway.
Charleston & Western Carolina Railway.
Chesapeake & Ohio Railway (includes Pere Marquette District).
Florida East Coast Railway.
Georgia Railroad.
Gulf, Mobile & Ohio Railroad.
Louisville & Nashville Railroad.
Nashville, Chattanooga & St. Louis Railway.
Norfolk Southern Railway Co.
Norfolk & Western Railway.
Richmond, Fredericksburg & Potomac Railroad.
Seaboard Air Line Railway Co.
Southern Railway (includes State University Railroad):

- Alabama Great Southern Railway Co. (includes Woodstock & Blocton Railway.
- Cincinnati, New Orleans & Texas Pacific Railway.
- Georgia Southern & Florida Railway.
- Harriman & Northeastern Railroad Co.
- New Orleans & Northeastern Railroad.

Tennessee Central Railway Co.
Virginian Railway Co.

ORGANIZATION

Order of Railway Conductors and Brakemen
General Offices: Cedar Rapids, Iowa

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