Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

APPOINTED BY EXECUTIVE ORDER 10696 DATED JANUARY 25, 1957, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT, AS AMENDED

To investigate and report on a dispute between the Railway Express Agency, Inc., and certain of its employees represented by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America (National Agreement).

WASHINGTON, D. C.
MARCH 21, 1957

(A-5211)
(No. 117)

WASHINGTON, D. C., *March 21, 1957.*

THE PRESIDENT,

THE WHITE HOUSE, *Washington, D. C.*

Mr. PRESIDENT: The Emergency Board appointed under your Executive Order 10696 on January 25, 1957, pursuant to Section 10, Railway Labor Act, as amended, to investigate and report on a dispute between the Railway Express Agency, Inc., and certain of its employees represented under a national agreement by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America, has the honor to submit herewith its report and recommendations based upon its investigation of the issues in dispute.

Respectfully submitted,

PAUL H. SANDERS, *Chairman.*
THOMAS C. BEGLEY, *Member.*
HAROLD M. GILDEN, *Member.*

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I. INTRODUCTION

This Emergency Board Number 117 was established by Executive Order No. 10696, dated January 25, 1957, pursuant to the provisions of section 10 of the Railway Labor Act, as amended, to investigate and report upon a disput between the Railway Express Agency, Inc. (hereinafter referred to as the "Agency"), and certain of its employees represented under a national agreement by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (hereinafter referred to as the "Union" or the "Teamsters"). The Executive order is attached as Appendix "A".

On the same date the President appointed Thomas C. Begley, Cleveland, Ohio, Harold M. Gilden, Chicago, Ill., and Paul H. Sanders, Nashville, Tenn., to membership on this Emergency Board.

The Railway Express Agency operates as the sole medium providing express services by use of the Nation's railroads and, to a lesser extent, the air lines and other modes of transportation. The employees involved in this dispute are the vehicle employees of the Agency located in Chicago, Ill.; Cincinnati, Ohio; Cleveland, Ohio; Newark, N. J.; Philadelphia, Pa.; San Francisco, Calif.; St. Louis, Mo., and in a number of suburbs of these cities, all covered by what is known as the National Agreement between the Agency and the Union.

Approximately 2,000 employees are involved. Throughout the United States the Agency has about 42,000 employees of whom approximately 37,500 are represented by labor organizations. In addition to its representation of the vehicle employees involved in this case, the Teamsters also represent the Agency's vehicle employees in the New York City metropolitan area, numbering approximately 1800. The Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employes (hereinafter referred to as the "Clerks") represents about 90 percent of the total unionized employment of the Agency. Included in the Clerks' representation are approximately 7,700 vehicle employees working at points other than those involved in this case. There are also approximately 750 shop craft employees of the Agency represented by the International Association of Machinists and the International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America.

The Board convened for organizational purposes at Philadelphia, Pa., on January 29, 1957, elected Paul H. Sanders as chairman and confirmed the appointment of Ward & Paul as official reporters.

Hearings were conducted by the Board in the United States Customs House in Philadelphia, Pa., commencing January 29, 1957, and ending February 20, 1957. Appearances were entered on behalf of the Agency by John N. Meisten, vice president and counsel; Ernest T. Williams, assistant vice president; Alfred F. Hall, director, labor relations; and Clement Lane, Jr., supervisor, labor relations. Appearing on behalf of the Teamsters were Albert Evans, general organizer; Abraham Weiss, economist; and Earl H. Kipp, assistant economist.

The transcript of the foregoing proceedings totaled 1,607 pages. In addition, exhibits numbering from 1 through 19–C were filed by the Union and from 1 through 59 by the Agency. Posthearing briefs were filed on March 4, 1957. The members of the Board have studied this entire record and have given consideration to all the evidence, exhibits and arguments adduced in arriving at the findings and recommendations contained in this report.

It appeared on February 14, 1957, that the Board would not be able to complete its investigation and make its report to the President within the 30 days specified in Executive Order 10696. The parties thereupon stipulated (Appendix "B") to request an extension for an additional 30 days, or not later than March 25, 1957. This request was duly transmitted to the President by the National Mediation Board and the extension was approved on February 19, 1957 (Appendix "C"). This approval is hereby made a part of the official record in this case.

II. CHRONOLOGY OF THE DISPUTE

On December 16, 1955, Mr. Albert Evans, general organizer of the Teamsters, notified the Agency by letter (Appendix "D") that the Union wished to reopen all the terms and conditions of the current working rules, wages and insurance program and enter into negotiations with the Agency looking to the negotiation of new working rules, wages and insurance programs on behalf of locals in Newark, N. J.; San Francisco, Calif.; Cincinnati, Ohio; Cleveland, Ohio; St. Louis, Mo.; Philadelphia, Pa.; Chicago, Ill., and Maywood, Ill. This letter had attached to it a list of specific changes desired by the Union (Appendix "D").

The parties to this dispute conferred on a number of occasions with respect to the Union's proposals, and on August 14, 1956, jointly invoked the services of the National Mediation Board (Appendix "E"). At meetings in Washington and Chicago during a period between August and December 1956, the National Mediation Board was unable to resolve the dispute through mediation. On December 17, 1956, the National Mediation Board, pursuant to section 5, first, of the Railway Labor Act, offered arbitration (Appendix "F").

The Union rejected the arbitration offer and gave notice of intention to strike. Thereupon the National Mediation Board advised the parties that all practical methods provided in the Railway Labor Act for adjusting the dispute had been exhausted without effecting settlement, and that the services of the Board were being terminated "except as provided in section 5, third, and in section 10 of the law."

The matter having been referred to the President by the National Mediation Board pursuant to section 10 of the Railway Labor Act, he promulgated Executive Order 10696 creating this Emergency Board.

III. THE SCOPE OF THE DISPUTE BEFORE THE BOARD

In its opening statement before this Board the Union declared that the dispute to be heard included all of the items originally presented in its notice to the Agency dated December 16, 1955. The Agency in its opening statement asserted that the Board could not properly concern itself with any issues other than the six listed in the joint letter of August 14, 1956, by which the parties had invoked the services of the National Mediation Board. This Board permitted the Union to present evidence and arguments covering the items that it thought to be included in the dispute. At the same time, the Board reserved to the Agency the right to object to action upon any items other than the limited number for which it contended. An opportunity was given to the parties to argue their respective positions during the course of the hearings. The question was reserved as a part of the dispute to be covered by this report.

Because of the relation of this preliminary issue to correspondence between the parties and between them and the National Mediation Board, relevant portions of such correspondence have been set out in Appendices "D" through "G" inclusive for further reference in presenting the contentions of the parties and in the discussion of the Board.

A. UNION'S POSITION

The Union contends that all of the proposals on which it negotiated with the Agency are properly before this Board and that this Board is not limited in its deliberations to the items listed in the joint letter of August 14, 1956; that when no agreement was reached with the Agency, it could properly come before this Board with all the items; that, although it did tentatively agree to withdraw certain issues, the failure to reach a settlement on the entire dispute warranted the reinstating of all of the original demands.

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The Union states that this Board is created by Executive order under section 10, Title 1, of the Railway Labor Act to investigate and report upon a "dispute" and that neither the Act nor the Order places any limitation upon the term "dispute" but each contemplates a dealing with the entire dispute.

The Union says that this is an emergency board and not an arbitration board; that this is not an arbitration proceedings held under specifically defined powers granted to the Board by the parties themselves; that the Railway Labor Act, sections 7, 8, and 9, deals with arbitration at length and in detail, but that section 10 concerning Emergency Boards is brief. In a very real sense, the Union says, it is the final settlement that determines whether the items discussed and set aside will remain out of the collective bargaining. Unless the parties finalize the area of agreement in the form of a complete settlement, the various proposals and counterproposals cannot be considered as binding on either side.

The Union states that if the Agency prevails on this "technicality", unions would hold firm in the future to all of their demands throughout the entire bargaining and mediation process for fear that any concession to achieve settlement would be interpreted as a final disposition and deemed not properly an issue before a subsequently convened Emergency Board; that no consideration was given the Union for dropping the proposals submitted in the joint letter to the National Mediation Board.

Finally, the Union urges that a "piecemeal" approach by this Board will render less useful any report which the Board makes; that if the Board invokes too narrow a view of the issues of this case, then the Board's report will have limited value in terms of a practical disposition of the total problem.

B. AGENCY'S POSITION

The Agency states that items other than the six listed in the joint letter of August 14, 1956, to the National Mediation Board were withdrawn by the Union during negotiations; that it was not prepared to present evidence concerning such other items; and that this Board could not properly concern itself with such other items. The Agency states that this Board was appointed under section 10 of the Railway Labor Act and that the Agency and the Union are governed in their relationships by the Railway Labor Act and that their disputes must follow the procedures as set forth in the Railway Labor Act.

The Agency declares that during the course of their negotiating conferences, the Union withdrew the following proposals on the dates set forth:

Addendum A, withdrawn March 1, 1956.
Rule 48, withdrawn March 1, 1956.
Article VIII, withdrawn August 14, 1956.
Rule 79, withdrawn March 1, 1956.
Rule 82, paragraphs A and C, withdrawn March 1, 1956.
Rule 62, portion dealing with additional holidays and double-time pay, withdrawn March 28, 1956.

The Agency states that, while these withdrawals were voluntary and without specific consideration, none was required; that collective bargaining contemplates the abandonment by either party of inappropriate demands.

The Agency states that the permanent characteristics of the several withdrawals is made clear by an incident in connection with the drafting of the joint letter of August 14, 1956, to the National Mediation Board setting forth six items in dispute; that when it came to framing this letter to the Board, a question arose as to the withdrawal of the demand relating to Article VIII; that the Union representatives caucused privately and then announced that the item was withdrawn, after which the joint letter was framed and signed.

The Agency states that the National Mediation Board's offer of arbitration in this case on December 17, 1956, sets forth six items as the dispute and that in all other correspondence from the National Mediation Board relating to the case, including its closing letter of January 30, 1957 (Appendix "G"), there is specification of the same six items.

The Agency states that the dispute which the Board is ordered to investigate by the President under section 10 of the Railway Labor Act can only be the dispute that was mediated by the National Mediation Board; that the Railway Labor Act prescribes negotiation, mediation, and an offer of arbitration, and that if any part of the dispute has not had the benefit of all of these proceedings, then that part of the dispute cannot come before this Emergency Board.

C. BOARD'S FINDINGS

The Board permitted the Union to present evidence and arguments on all the items that it claimed were a part of the dispute before the Board, reserving action on the Agency's objections. The Union offered testimony on all of its proposals with the exception of the change in Addendum A and the cancellation of article VIII. The Union confined the testimony relative to Rule 62 to the first sentence of its proposal requesting additional paid holidays. The Board finds, therefore, that admittedly the Union's proposals relative to Addendum A, article VIII and the portion of rule 62 other than the first sentence

are no longer in dispute between the parties. The Board has, in fact, considered all the evidence and arguments of the Union and the Agency on all the items urged by the Union, noting with respect to each item the position taken by the Union and by the Agency.

Whether or not proposals which have been withdrawn by one party in negotiations and thereafter removed from the context of the dispute and not taken to mediation are properly a part of the dispute to be considered by an Emergency Board presents a novel question.

Section 10 of the Railway Labor Act appears to deal with a dispute that has been negotiated, mediated, offered for arbitration and then, perhaps, referred to an Emergency Board for investigation and report. As opposed to what appears from the plain language of the Act, the Unions's contention would have the effect of requiring this Emergency Board to investigate and report on phases that have not been subjected to the mediation process and offer of arbitration prescribed by the Statute.

This Board is convinced that the word "dispute" as used in section 10 of the Railway Labor Act is intended to refer normally to the specific controversy that has traversed the procedures delineated by the Railway Labor Act. On the other hand, there are significant differences in language between the sections of the Act dealing with arbitration and the one controlling the functions of an Emergency Board and it may be that an Emergency Board should not, in all circumstances, rely on such a legal technicality in defining the scope of its work. Nevertheless, this Board does not find that any adequate reasons have been presented to it in this case to justify departure from the generally accepted procedures followed under the Railway Labor Act.

Even if section 10 of the Railway Labor Act could be more broadly construed so as to permit an Emergency Board to investigate and report on issues not previously mediated and offered for arbitration, nevertheless, the total conduct of the Union in this case should foreclose it from introducing material on the withdrawn items. In the instant case, the joint letter, dated August 14, 1956, addressed to the National Mediation Board, stated in no uncertain terms that the parties themselves had "disposed of certain items of the demands" and that the six enumerated items "still remain in dispute". Thus, there is presented by the authorized spokesmen of the parties a clear and unambiguous declaration of the precise nature of the dispute. Significantly, there is no indication of a reservation or condition attached to the disposition nor withdrawal of "certain items" either in the foregoing letter or in the course of previous negotiations.

Reservations and conditions with respect to individual items are not unusual in collective bargaining negotiations. If either party had

been so inclined in this case, it could have held any matter in abeyance pending the completion of negotiations on other items. It is clear that in this instance that neither party chose to do so. On the contrary, the language of the letter of August 14, 1956, demonstrates that certain matters were finally removed from the area of dispute in these particular negotiations.

Accordingly, the Board concludes that the dispute before it is confined to the six items outlined in the joint letter of August 14, 1956 (Appendix "E"), and that the items referred to as being withdrawn in that letter are not a part of the dispute properly before this Board and, therefore, should continue to be treated as withdrawn for all purposes in the further negotiations between the parties in this case.

IV. BASIC QUESTION OF INDUSTRY COMPARABILITY

While this dispute relates to certain specific demands of the Teamsters for changes in rules and working conditions and for a wage increase, it more importantly presents a fundamental difference of opinion with respect to the proper basis for comparison of the wages and working conditions of the employees affected. This underlying issue involves the problem of whether the employees in this dispute are to be treated as a part of the railroad industry or whether they are to be looked upon as a part of the trucking industry, specifically that portion of the latter which is covered by local cartage agreements in the cities affected in this case. The direct clash of opinion between the parties on the fundamental problem here involved was given full expression throughout the proceedings before this Board.

A. UNION'S POSITION

In support of its general position that the demands made in this case should be considered in light of the wage trends, wage levels and working condition in trucking and not in the railroad industry, the Union argues, first, that the origin and history of the Agency, and the terms of its operations agreement with the nation's railroads, show that the Agency is not a railroad, and that its employees cannot properly be classified as railroad workers; that in its origin the express business was independent of the railroads and when Railway Express Agency, Incorporated, was formed, it took over a business which was independent of the railroads; that its relationship to the railroads is a buyer-seller relationship; that the Agency makes use of other forms of transportation in the rendering of express service.

The Union urges that the general position of the Agency as to its relationship of the railroad industry is untenable, because the Agency has argued before a number of emergency boards in the past that

it was not a part of the railroad industry, and that the wages of Agency employees should not be governed by railroad patterns; and in fact, between 1941 and 1948, Agency spokesmen had contended that the problems of Express employees required independent determination from that given railroad employees.

The Union states that wage rates should be determined not by ownership and control of the employer, but by the nature of the work performed by the employee; that railroad-owned-and-operated truck lines bargain and set their wages in conformity with trucking wage patterns and not railroad wage patterns.

The fact that the Agency and its employees are covered by the Railway Labor Act, the Union argues, does not establish the Agency as part of the railway industry since pipelines, air lines and water carriers are similarly covered. The Union urges that the Agency's competitors, such as freight forwards and "over the road" truckers, using similar equipment, follow Teamster wage patterns; that vehicle operations of the Agency are not those of the railroad industry, the more comparable operations being found in truck transportation and distribution.

The Union contends that the fact that they represent a minority group among the Agency employees cannot be used to tie them to railroad patterns without foreclosing their right of free collective bargaining; that Teamsters constitute a separate and minority bargaining unit in many industries, but nevertheless their contracts frequently follow a different wage pattern from that applied to other employees in the same establishment; and that this fact has been recognized by previous Emergency Boards. The Union calls attention to the fact that the New York Teamsters have on at least seven occasions set patterns for Agency employees on wages, shorter hours and health and welfare.

B. AGENCY'S POSITION

The Agency states that it is a part of the railroad industry; that its employees are employees of the railroad industry; that historically there has been a close relationship between the Agency and its predecessors, on the one hand, and the railroads, on the other; that, since its formation in 1929, the principal railroads of the United States have owned the Agency; and that the Agency is, as its name indicates, the agent of and controlled by its owners—the railroads; that the Agency conducts its business without profits to itself; that, after deducting from its gross income all expenses, taxes and other charges, it pays the balance to the railroads for what are termed "express privileges."

The Agency points out that about 90 percent of its employees are represented by the standard railroad labor organizations; that during periods of wage stabilization the wages of its employees have been subjected to the same controls as those applicable to railroad employees; that the employees in this dispute are entitled under their collective agreement to the same free transportation benefits accorded railroad employees; that the laws of the United States, as well as the nature of their employment, makes them employees of the railroad industry; and that this fact has been recognized by eight different Emergency Boards in a period since 1941.

The Agency argues that the wages and working conditions of all its employees have followed the pattern of the railway industry; that, while deviations have occurred on occasions, almost invariably, parity has been restored to bring conformity with similar increases resulting from the national wage movements of non-operating railroad employees; that, apart from this dispute and a similar one affecting the New York City Teamsters, the wage adjustments for the nonoperating railroad employees, the Agency employees represented by the Clerks, and the Agency employees represented by the Teamsters have been virtually identical during the post-World War II period.

The Agency declares that when Teamsters secure increases in cities where they hold representation, adjustments must be made for non-vehicle Agency employees represented by the Clerks in those cities as "the price of continued operation of business"; that attempts to localize a concession to one group or one city based on conditions in that city are futile, as illustrated by experiences with the Teamsters in New York City.

The Agency argues that there is nothing unusual in the requirement of parity of treatment for employees of the same employer represented by different Unions; that a departure from such a pattern of parity of treatment creates internal pressures for a return to parity; that dual representation of Agency vehicle employees creates competition between the Teamsters and Clerks to secure more favorable concessions in a constant striving for new membership and representation under the "score rule" of the two agreements.

The Agency concludes that the Union's own exhibits show that Agency settlements have not followed the pattern of local cartage which the Union seeks to impose upon it; that the fact that certain trucking companies are railroad subsidiaries and follow regular trucking wage patterns is not significant since such trucking companies are not subject to Railway Labor Act, Railway Retirement Act, and Railway Unemployment Insurance Act as is the Agency; that such trucking companies' employees are not represented by standard labor

organizations and have never followed the railway pattern; that even if the Agency were not part of the railroad industry, it would still be required to follow the railway pattern because of its history of doing so and the insistence of the vast majority of its employees that it do so.

C. BOARD'S FINDINGS

This problem of the relationship of the Agency to the railroads in terms of whether it is in fact a part of the railroad industry, or more specifically, whether its employees should be treated similarly to railroad employees for purposes of adjustments of working conditions has been before Emergency Boards repeatedly, in one form or another, since 1941. The answer has been overwhelmingly in the affirmative.

This problem was reviewed by the Lapp Board in 1948, which made an exhaustive survey of prior emergency boards' reports and after quoting extensively from them, found:

> The evidence is conclusive that the Railway Express Agency is a part of the railroad industry, and that historically the major labor relations issues have followed the national pattern set by the railroads. In turn, the labor relations issues in the Agency have followed a pattern set by the Agency in its collective agreements with the Brotherhood of Railway Clerks and the International Brotherhood of Teamsters. Uniformity has been the rule with an occasional aberration. Whatever in wages has been granted to the railroad men has been granted to Agency employees; and whatever has been granted to Agency employees represented by one union has eventually been granted to all employees of the Agency.
>
> In all of the proceedings prior to those in this case, the Agency has contended that it was not a part of the railroad industry and not subject to wage patterns set on the railroads.
>
> In the instant case, the Agency acknowledged that it had changed its view in the light of the findings of emergency boards since 1941 and was now accepting the views set forth by those boards.

The difficulties likely to be encountered by disregarding the railroad pattern for Agency employees is illustrated by the following excerpt from the Edwards Board:

> If the employees involved in this dispute were now granted an increase in excess of the increase awarded to the non-operating railroad employees and in excess of the increase negotiated with the three other organizations for 90 percent of the Express Agency employees, the differentials established and maintained throughout the years between Express employees and the other employees of the railroad industry, and between the employees involved in this dispute and the other Express employees, would be destroyed. This would again throw the entire wage structure of the railroad industry, and particularly of the Express Agency, out of balance. This would cause dissatisfaction and unrest among the nonoperating railroad employees and would immediately precipitate new demands by the three organizations representing the 90 percent of the Express employees who have accepted the 15.5 cents increase.

The present emergency board is not concerned with a finding as to whether or not the Agency is a part of the railroad industry except as it may affect the recommendations that are made for the settlement of specific issues, particularly wage questions, which are involved in this dispute. The fact is that the Agency's wage adjustments have proceeded in a parallel course to the adjustments made for the non-operating employees of the railroads; and this parallel in recent years is the most important economic factor in determining the issues before this Board. On the other hand, there is a complete absence of any parallel with wage movements in the general trucking industry.

The Union exhibits demonstrate that wage adjustments for Agency employees have never been related to wage movements among vehicle employees covered by trucking agreements. Whatever relationship there may have been at one time between rates for Agency vehicle employees and cartage rates in particular localities, there is no showing that any steps have been taken to maintain any such relationship in the period since the beginning of World War II.

The conclusion seems inescapable that the economic pattern which must be deemed controlling here is that which is found within the Agency itself and within the railroad industry, whose wage movements for non-operating employees have been so closely duplicated.

V. WAGE ADJUSTMENT ISSUE

A. GENERAL WAGE INCREASE

1. Union's Position

The demand of the Union in this case is that the vehicle employees represented by it receive the same hourly wage as that called for by Teamsters' agreements with the local cartage industry in the respective communities or areas where the Agency employees work. The Teamsters contend that these employees are doing the same work, possess the same skills, live in the same communities and belong to the same labor organization and, accordingly, should receive the same hourly wage.

The Union asserts that, while normally intraindustry comparisons are such as to give them superior weight in wage determination, this standard is inapplicable when all of the firms in an industry bargain jointly; that this is such a case because the Agency, a monopoly, is the express industry; that it is necessary, therefore, to look to other comparisons to determine wage equity; and that the most appropriate comparison is local cartage trucking in the communities involved.

The Union charges that Agency employees have dropped in relative wage position as compared with other industries; that Agency vehicle

employees in terms of gross average earnings have dropped drastically; that the hourly wage rates paid Agency vehicle employees are lower, by from 4 cents to 68½ cents, than the hourly wage rates of truck drivers in the seven cities involved.

The Union states that Agency wage increases have not kept pace in either 1955 or 1956 with the pattern of wage settlements in industry generally or in the trucking industry; that Agency wage rates will drop even further behind as deferred increases take effect in 1957; that, in the period between 1949 and 1956, Agency drivers received increases totalling 42½ cents an hour as against an average increase of 65$^{9}/_{10}$ cents an hour for workers in all industries; that equity would demand the principle of wage rate equalization between Agency drivers and local cartage drivers to remove the loss of status wage-wise suffered by Agency employees as compared with other truck drivers and employees involved in general wage movements in key bargaining situations.

2. Agency's Position

The position of the Agency is that the matter of a general wage increase should be settled by applying the same pattern already made applicable in 1956 to its other employees; namely, an increase of 10 cents per hour effective November 1, 1956, with an additional increase of 7 cents per hour effective November 1, 1957, and a further increase of 7 cents per hour effective November 1, 1958, coupled with an escalator clause which would provide at six-month intervals, starting May 1, 1957, an additional 1 cent per hour increase for each one-half point rise in the Cost-of-Living Index from a September 15, 1956, base; together with an additional 2½ cents per hour for welfare benefits, all accompanied by a moratorium on wage demands and rules changes involving compensation until November 1, 1959. In addition, the Agency includes in its offer of settlement a wage increase of 2½ cents per hour retroactive to January 16, 1956, in order to restore parity with wage adjustments previously accorded to its other employees.

The Agency states that there is normally a wide diversity of wage rates for a given occupation in a given city and that such diversity is based upon elements such as employer earnings, market conditions for the employer's product and similar economic factors; that competitive forces in the labor market do not produce a single rate but result in a variety of rates for identical work; that the level of wages for a particular occupation depends primarily upon the general level of wages paid in the particular company or industry of which it is a part; that in arriving at a proper level of pay for Agency drivers it is necessary to look to the industry of which it is a part; namely; the railroad industry. The Agency presented evidence to show that

its rates compared favorably with rates for truck drivers employed by the railroads and insisted that the rates of its drivers represented by the Teamsters must find their justification in considerations operative within the railroad industry.

With respect to the general economic condition of the Agency and long term trends affecting it, the Agency presented evidence indicating that its growth had not kept pace with transportation sales, highway freight sales and corporate sales; that its employment had declined in contrast with other industries and that its vehicle registrations had declined since 1946 in contrast to a substantial increase in truck registrations generally; that although its general economic condition was static rather than dynamic, the wages of Agency employees compare favorably with those of industry generally; that the average earnings of Agency employees are in the upper 40 percent of empolyees in general industry; that the estimated yield of the escalator clause in its proposal would probably amount to an additional three to four cents per hour increase during 1957 and that it could go as high as six cents an hour.

3. Board's Findings

The Board has already indicated its conclusion that it is appropriate in its study of this case to accord the pattern of wage adjustments granted to other Agency employees, and to the nonoperating employees of the railroads, a dominant position. The Board considers that a recommendation from it that the parties establish wage rates according to the levels prevailing in the various local cartage agreements would prove most disturbing and unsettling.

The whole past history of the relations between these parties indicates that any particular adjustments given in one locality would of necessity have to be extended to nonvehicle employees in the same city and to all Agency employees in other cities, both vehicle and non-vehicle.

We are faced with a situation where a Union representing a minority of the vehicle employees of the Agency is seeking a wage agreement for 1956 which would place its members at a considerable advantage wage-wise over the great majority of Agency vehicle employees, who are represented by another union.

This Emergency Board does not subscribe to the proposition that only a dominant or a majority union should be permitted to seek innovations or improvements for the employees in situations where there are rival unions. In this very situation the Teamsters have, on a number of occasions, either through independent negotiations or after the recommendation of Emergency Boards, secured a concession

which was later extended to the groups represented by the majority union. While this Board would not bar a proposal merely because it is introduced by a minority union, nevertheless, we are convinced that we should not recommend acceptance of a particular innovation unless it may feasibly be restricted to this particular group or is deemed worthy of ultimate extension on a practical basis to all employees of the Agency.

The Board concludes that the matter of a general wage adjustment is one that the parties should compose on the basis of established patterns of past practice. Specifically, the Board recommends that the Union accept the Agency's wage offer as detailed above.

B. SUBURBAN EQUALIZATION

As part of its wage demand the Union insists that vehicle drivers in certain suburban areas surrounding Chicago, Philadelphia and Newark should be placed on the same wage basis as that paid Agency Teamster employees in the metropolitan center. This is consistent with the Union's general desire to adjust wages to correspond with those prevailing under local cartage agreements.

The Agency resists this proposal by pointing out that demands for equalization of suburban rates of pay with those in large cities have been presented to previous Emergency Baords and that they have in each instance recommended the withdrawal of such demands in recognition of a historical differential; that the reasons for the continuance of such differentials are as valid now as when these Boards reported.

This Board considers that this problem is now in a somewhat different posture than it was when it received Emergency Board consideration at various earlier dates. This is because of the tremendous intervening growth in suburban areas surrounding our large metropolitan centers. Recent suburban development has brought obvious increased activity to such areas. Often such expansion reflects a situation where the growth of the metropolitan center (industrial and otherwise) has produced a virtual absorption of the suburban area. Such a factor, where it exists, might very well call for a reexamination by the parties of the appropriateness of the existing rates of pay in particular suburban areas. This would seem to be true especially where the particular suburb immediately adjoins the metropolitan center. Where it does not physically adjoin the large city, the question of narrowing the wage differential should depend upon the type of development and activity in the suburban area with relation to the metropolitan center as compared with the period when the differ-

ential was first established. This is a matter which obviously requires individual, local consideration.

This Board would recommend to the parties that they give consideration to a narrowing of the differential between the suburban rate and that in the metropolitan center in instances where the foregoing observations of the Board have relevancy.

C. RETROACTIVITY

The Union insists that wage adjustments be made retroactive to a date 30 days after its demands were served on the Agency; that is, January 16, 1956.

It will be recalled that while the Agency is willing to make a 2.5 cents per hour parity adjustment effective on January 16, 1956, it states that the 10 cents per hour offered should be effective as of November 1, 1956, the same date for which it was made effective for its other employees. From the pattern of past practice by the Agency and the Teamsters, and other unions representing Agency employees, the recommended effective date should be that which was applicable to the great majority of Agency employees; namely, November 1, 1956. In this connection it should be noted that the Union made its original proposal for reopening the contract on December 16, 1955, only nine days after it had signed an agreement with the Agency settling the previous dispute. Under the contract as written ("open end") they were legally entitled to do so. Nevertheless, giving full consideration to these matters as well as to the various approaches claimed to be applicable in determining effective dates, it is the judgment of this Board that the principle of maintaining parity between Agency employees is the most important factor, and this dictates the November 1, 1956, effective date for the 10 cents per hour increase. The 2.5 cents per hour parity increase should be made effective January 16, 1956.

VI. SATURDAY AND SUNDAY PREMIUM PAY ISSUE—RULE 46

A. UNION'S POSITION

In proposing that Rule 46 be supplemented by inserting "All work performed on Saturday and Sunday shall be paid for at punitive rates," the Union seeks to obtain penalty pay (computed at 1½ times the straight time hour rate) for all work performed on Saturdays and Sundays as such. The Union emphasizes the socially undesirable, disadvantageous and burdensome aspects of weekend work. It mentions that such programmed exertion precludes participation in nor-

mal religious, home and community activities; that the payment of a premium is a fair alternative when such performance cannot be avoided; that it is the only effective deterrent to needless assignment. The Union states that its proposal already is a common working condition both in American industry generally as well as in continuous process operations; that it already is prevalent among employees in the seven cities here involved; that there is a significant trend to extend such coverage to additional workers; and finally, that the adoption of this modification will reduce absenteeism on Saturdays and Sundays and produce a more efficient operation.

B. AGENCY'S POSITION

The Agency contends that there is no justification for such a penalty rule in an industry which must operate 24 hours a day, 7 days a week; that although its activities are curtailed on Saturdays and Sundays, consistent with the demands of the service, they cannot come to a halt; that its vehicles must operate on weekends to move transfer traffic between terminals, to service live animals and to handle the pickup and delivery of perishables and other "rush" shipments; that to cease to function on these days would cause delays, produce congestion of facilities and inevitably result in loss of business; that by scheduling a staggered 5-day workweek, the entire railroad industry treats Saturday and Sunday as ordinary working days for pay purposes; that this identical demand has been denied by previous Emergency Boards.

C. BOARD'S FINDINGS

Rule 46 as now constituted provides normally for the scheduling of five days of work in each 7-day calendar week, with 2 days of rest, such rest days to be consecutive if the Agency's requirements permit.

There is no question but that the nature of the Agency's business requires a 7-day, around-the-clock operation in the same manner as the rest of the railroad industry. Even though the weekend workload is significantly lower than the volume on Mondays through Fridays, a substantial amount of business is performed on Saturdays and Sundays. The evidence shows, for example, that in Chicago out of a work force of 862 vehicle employees, 242 are engaged on Saturday and 115 on Sunday. It is clear, therefore, that if pickup and delivery, terminal transfers and other essential services are to be expeditiously performed, Saturday and Sunday work cannot be avoided.

Except where such work constitutes the 6th or 7th consecutive days' performance in the workweek, premium pay for Saturday or Sunday as such is not a universal practice in continuous process industries. The staggered 5-day workweek as now provided by rule 46, with

Saturday and Sunday constituting ordinary working days for employees regularly scheduled for duty on those days, subjects these employees to no greater hardship and no more oppressive working conditions than is the case with numerous workers who serve on weekends in continuous process operations at straight time rates.

The factors which led previous Emergency Boards to recommend against such a proposal remain persuasive in prompting this Board to recommend that the Union withdraw this request.

VII. WEEKLY BASIS OF PAY ISSUE—RULE 63

A. UNION'S POSITION

The Union requests that the following language be inserted in rule 63: "All employees covered by this agreement shall be paid weekly, on Friday." The Union states that the Agency lags behind the rest of American industry in terms of frequency of paydays; that the majority of labor agreements provided for weekly wage payments; that three-fourths of all production workers in private industry are paid at weekly intervals, and that this is the Agency practice now at Newark and Philadelphia; that the installation of tabulating machines removes major objections to the more frequent pay periods; that in each of the seven cities, weekly remuneration is the rule for cartage employees covered by Teamster contracts; that a recent Bureau of Labor statistics study reveals a marked shift toward the weekly pay interval and away from the semimonthly.

B. AGENCY'S POSITION

The Agency shows that a transition to weekly payroll would greatly increase payroll cost by necessitating the preparation of from 60 to 70 payrolls per employee per year in contrast to the 24 semimonthly payrolls presently required at certain locations; that payrolls for about 19,000 employees throughout the country, including those in St. Louis, San Francisco, and Maywood, Illinois, are prepared manually and, that due to limitations in its agreement with the Clerks, it is practically impossible to utilize mechanical methods at central locations; that, if the Union prevails on this issue, some employees would be paid weekly while others at the same location would continue to be compensated semimonthly.

C. BOARD'S FINDINGS

The request of the Union for weekly pay periods in those cities involved in this dispute where it is not already in effect would apparently result either in the majority of the employees in those cities

(represented by other unions) being changed to the plan requested by the Teamsters, or in the confusion of differing pay periods for two groups of employees associated with the same office.

The majority of the Board is not convinced of the feasibility of introducing such a change at new locations at the request of the minority union and recommends that the proposal be withdrawn.

Board Member Gilden dissents from the above recommendation on the grounds that the mere possibility that the granting of the Union's proposal may inevitably result in extending the weekly pay procedure to that portion of the Agency's employees who are not presently remunerated in that manner, is not in itself a sufficient reason for rejecting the demand. Because the instant adjustment would correct the inherent incongruity of different pay periods for separate groups of employees represented by the same Union, under the same labor agreement, he deems the proposal well-merited.

VIII. CHECK-OFF ISSUE—PROPOSED RULE 64

A. UNION'S POSITION

The Union desires to incorporate language in the Agreement to provide for a check-off of Union dues; i. e., to require the Agency to deduct monthly and remit to the Union one month's dues from the wages of employees within the collective bargaining unit who, by prior written authorization, direct such action. The Union asserts that the national policy as reflected by the Taft-Hartley Act and the Railway Labor Act, as amended, encourages the adoption of check-off clauses; that 75 percent or more of all labor agreements include check-off provisions; that the check-off is widespread in trucking agreements and is prevalent in cartage contracts covering the cities involves in this dispute; that in the railroad industry itself the check-off principle has been accepted by a substantial number of carriers; that payroll deductions on a voluntary basis are consistent with Agency practice; that the check-off will eliminate work interruptions and provide other advantages both to the Agency and to the Union; that practically no agreements compensate the employer for making such dues deductions.

B. AGENCY'S POSITION

The Agency points out that, although periodic deduction of dues is permissive under its union-shop agreement, such action does not become effective until agreement is reached on the terms and conditions of its applications; that concurrent with the adoption of the union-shop agreement, the Agency was advised on behalf of this Union that payroll deductions would be requested only when employees were

delinquent in dues payments; that the other labor organizations, parties to its union-shop agreement, representing 90 percent of the Agency's employees, have not asked for a check-off arrangement; that a similar proposal advanced by this Union was rejected by a previous Emergency Board; that in the few situations in the railroad industry where check-off provisions exist, a charge is made for the service; that any change in the check-off provision which is contrary to the declared intention of the parties should be initiated by a larger segment of the Agency's employees.

C. BOARD FINDINGS

Section 7 (a) of the union-shop agreement dated March 31, 1952, to which the Agency and the Teamsters are signatory parties, expressly contemplates that a check-off arrangement would ultimately be consummated, whereby the Agency, without cost to the Union, would periodically deduct dues, initiation fees and assessments of these employees covered by the labor agreements, when the employees by written assignment authorize such procedure.

The letter of March 31, 1952, addressed to the Agency on behalf of the Teamsters and the three other unions, does not constitute a continuing commitment insofar as the Teamsters are concerned and, in any event, it is superseded by the proposal before this Board.

The Board recognizes that the check-off principle is now well established in labor-management relationships throughout American industry. In light of the union-shop agreement between the parties and the Union's present desire for a check-off, there is no cogent reason for withholding such an arrangement from this bargaining relationship.

Accordingly, the Board recommends that, consistent with the minimum requirements set forth in the Union Shop Agreement relative to the check-off, the parties negotiate an appropriate new rule.

IX. VACATION ISSUE—RULE 80

A. UNION'S POSITION

Not only does the Union seek to enhance existing vacation benefits so as to achieve 2 weeks' vacation after 2 years' service, 3 weeks after 10 years' service and 4 weeks after 15 years' service, but it also proposes that payment be made in lieu of vacation when the employee is absent on account of sickness or injury, death or termination of employment.

The Union states that the proposals are justified on the ground that liberalization of a vacation program is required to keep pace with practices which have developed among the more progressive companies; that modern industrial operations have focused emphasis

on the value of liberal vacation benefits; that from the standpoint of efficiency and continuity of service, a four weeks' vacation is essential, that a number of American industries now provide vacations of three and four weeks after service of less than 15 years and have lowered the service requirement for two-week vacations; that vacations should be viewed as a reward for past service and as an earned right; that employees who have established eligibility for a paid vacation, but who are separated from employment (either voluntarily or involuntarily) prior to the vacation period, are entitled to vacation pay; that a 1956 study had disclosed that, in over 60 percent of the companies surveyed, employees quitting without notice or discharged for cause received earned vacation pay; that Teamster cartage contracts in the 7 cities involved in this case include provisions for earned vacation pay upon termination or death.

B. AGENCY'S POSITION

The Agency says that since 60 percent of the employees have 15 or more years of service, the great majority under the proposed rule would gain an additional week's vacation; that the third week of vacation was granted as recently as 1954; that previous Emergency Boards have recommended withdrawal of the demand for a fourth week of vacation; that any additional allowance to the group here represented would be in excess of vacation benefits received by 90 percent of the Agency's employees; that vacation benefits are paid on request to employees who are absent on account of sickness or injury, and in case of death, vacation payment is remitted; that when the individual ceases to be an employee, all obligations of the employment relationship should terminate automatically; that to grant vacation allowances to nonemployees is not justified and is contrary to all precedent in the railroad industry.

C. BOARD'S FINDINGS

The existing vacation plan provides 5 working days with pay for employees with 1 to 5 years of service, 10 working days with pay after 5 years of service, and 15 working days with pay after 15 years of service. Notwithstanding a noticeable increase in recent years in the lowering of service requirements for a 2-week vacation, the 5-year standard is still predominant. Similarly, among provisions granting 3-week vacations, 15 years is the most common service requirement. In the small percentage of contracts providing for vacations of 4 weeks, 20 or 25 years of service is generally required to qualify. The Union's proposal for liberalizing vacation benefits transcends the dominant vacation program for industry generally

as well as for the railroad industry. For these reasons, the Board recommends that the Union's demand for the foregoing changes in rule 80 be withdrawn.

The Union's request for vacation pay to employees who become sick, disabled, deceased or who are terminated after having fulfilled the vacation eligibility prerequisites, stands on an entirely different footing. It is already the custom for the Agency to remit vacation allowances to sick or disabled employees requesting them and to pay for accrued vacation benefits in case of death. It would certainly be good industrial relations policy to reduce this practice to writing and make it a part of the Agreement. Furthermore, once an employee becomes entitled to a vacation benefit, he should not be deprived of what he has already earned because of termination from his employment, except, perhaps, where he is discharged for cause. Accordingly, it is recommended that the Union's proposal for vacation pay upon termination be adopted subject to the limitations above described.

X. HEALTH AND WELFARE ISSUE—RULE 82

A. UNION'S POSITION

The Union states that its proposal, rule 82–B, is a new rule and should read: "The Agency shall contribute the sum of ten cents ($0.10) per hour to a health and welfare insurance program, the details of this program to be worked out by the parties."

The Union states that under the Central States Local Cartage Agreements applying to St. Louis, Cincinnati and Cleveland, the employers contribute 5.6 cents an hour for health and welfare and that under the Chicago Cartage Agreement the employer's contribution is 6.9 cents per hour; that under other cartage contracts in cities involved in this dispute the employer's contribution ranges from 6 cents per hour to 12 cents per hour; that under the existing health and welfare program with the Agency, the employees represented by this Union contribute $1 per month, the balance, in the amount of 3.6 cents per hour, being paid by the Agency; under the Union's proposal the employees would still contribute $1 per month.

B. AGENCY'S POSITION

The Agency states that paragraph B, rule 82, as proposed, would require a total contribution by the Agency of ten cents per straight time hour to a health, welfare and insurance program; that the Agency at the present time is contributing the equivalent of 3.8 cents per hour.

The Agency states that a health and welfare program as placed in effect on the railroads at a cost of 4 cents per hour was originally shared equally by the carriers and its employees; that in December 1955 the rail carriers assumed the entire cost of the programs; that thereafter the Agency extended the railroad program to a majority of its employees effective March 1, 1956; that following the pattern set by the railroad, the Agency has assumed the cost of additional coverage amounting to 2.5 cents per employee hour, which taken with a prior cost of 4 cents per employee hour brings the total cost paid by the Agency for these employees to 6.5 cents per hour; that it has two separate health and welfare programs in effect at this time; that the one applied to employees represented by the Teamsters has been costing the Agency 3.8 cents per hour and is predicted to cost 4 cents per hour for the current year; and the plan applied to all other employees costs 6.5 cents per hour, thus leaving the Teamsters 2.5 cents per hour behind the other Agency employees in provision for health and welfare benefits.

The Agency states that during negotiations it offered the Union 2.5 cents per hour to be used for the purchase of additional health and welfare benefits; that this would have the effect of placing on a parity the health and welfare benefits of all employees of the Agency and would provide benefits comparing favorably with such programs in outside industry.

C. BOARD'S FINDINGS

From the evidence presented, this Board finds that the employees represented by this Union are behind other employees of the Agency in the amount provided for health and welfare benefits. The gap appears to be approximately 2.5 cents per hour, which is the amount the Agency offers as a basis of settlement. In any event, the gap will be such an amount as is required to provide a total of 6.5 cents per hour and thereby achieve parity.

Accordingly, it is recommended that the parties negotiate an agreement by which the Agency would pay for the additional amount necessary to provide a total payment of 6.5 cents per employee hour for health and welfare benefits. The additional amount necessary to achieve parity should be made effective as of November 1, 1956, the date when such a benefit was made applicable to the great majority of Agency employees. The details of the health and welfare program are to be determined by the parties themselves through their negotiations.

XI. RECOMMENDATIONS OF THE BOARD

The Board finds and recommends that the dispute committed to its investigation and report should be resolved as follows:

A. WAGE ADJUSTMENT ISSUE

1. General Wage Increase

The parties should adopt a settlement which provides for increases of 10 cents per hour effective November 1, 1956, 7 cents per hour effective November 1, 1957, and 7 cents per hour effective November 1, 1958; with an additional increase of 2.5 cents per hour retroactive to January 16, 1956; a cost of living adjustment which provides an increase of one cent per hour for each one-half point rise in the United States Department of Labor, Bureau of Labor Statistics, Consumers Price Index, starting at 117.1, the Index figure for September 15, 1956, the adjustment to be made at six-month intervals starting May 1, 1957; and a moratorium on wage demands and changes in rules involving compensation until November 1, 1959.

2. Suburban Equalization

The parties should negotiate, in accordance with the Board's findings on this topic in this respect, for the purpose of narrowing wage rate differentials between metropolitan centers and suburban areas subjected in recent years to substantial absorption by the metropolitan center.

3. Retroactivity

The effective dates of wage increases in 1956 should be as set forth in paragraph 1 under this heading; that is, 2.5 cents an hour effective January 16, 1956 and 10 cents per hour effective November 1, 1956.

B. SATURDAY AND SUNDAY PREMIUM PAY ISSUE

The Union should withdraw its proposed supplement to Rule 46 which would seek to require the payment of a penalty rate for all work performed on Saturday and Sunday as such.

C. WEEKLY BASIS OF PAY ISSUE

The Union should withdraw its proposal that Rule 63 be amended to provide that all employees covered by this agreement are to be paid weekly, on Friday. Board Member Gilden dissents from this recommendation.

D. CHECK-OFF ISSUE

The parties should negotiate a check-off clause on the basis of the Union proposal and consistent with the minimum requirements of the Union Shop Agreement between the parties dated March 31, 1952.

E. VACATION ISSUE

1. Increased Vacation Benefits

The Union should withdraw its proposal for adding a fourth week of vacation and shortening the service requirements for 2- and 3-week vacations.

2. Vacation Pay on Termination

The parties should adopt the Union's proposal for vacation pay upon termination, making an exception where the employee is discharged for cause.

F. HEALTH AND WELFARE ISSUE

The parties should negotiate an agreement by which the Agency would pay for the additional amount necessary to provide a total payment of 6.5 cents per hour for health and welfare benefits. The additional amount necessary to achieve the 6.5 cents level (whether 2.5 cents or some larger amount) should be made effective as of November 1, 1956. The details of the health and welfare program are to be determined by the parties themselves through negotiations.

Respectfully submitted,

PAUL H. SANDERS, *Chairman.*
THOMAS C. BEGLEY, *Member.*
HAROLD M. GILDEN, *Member.*

APPENDIX A

EXECUTIVE ORDER No. 10696

CREATING AN EMERGENCY BOARD TO INVESTIGATE A DISPUTE BETWEEN THE RAILWAY EXPRESS AGENCY, INCORPORATED, AND CERTAIN OF ITS EMPLOYEES REPRESENTED BY THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN AND HELPERS OF AMERICA

Whereas a dispute exists between the Railway Express Agency, Incorporated, a carrier, and certain of its employees represented by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, 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 railway employees or any carrier.

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

As provided by section 10 of the Railway Labor Act, as amended, from this date and for 30 days after the Board has made its report to the President, no change, except by agreement, shall be made by the Railway Express Agency, Incorporated, or by its employees, in the conditions out of which the said dispute arose.

(Signed) DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *January 25, 1957.*

APPENDIX B

BEFORE THE NATIONAL MEDIATION BOARD, EMERGENCY BOARD

In the Matter of: RAILWAY EXPRESS AGENCY, INC., and CERTAIN OF ITS EMPLOYEES REPRESENTED BY THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN AND HELPERS OF AMERICA, Emergency Board No. 117

STIPULATION

Whereas it appears that it will not be possible for Emergency Board No. 117 appointed by President Eisenhower on January 25, 1957 to complete its investigation and make its report to the President within the thirty (30) days specified in Executive Order 10696 pursuant to Section 10 of the Railway Labor Act; therefore

It is hereby stipulated and agreed between the Railway Express Agency, Inc., and the International Brotherhood of Teamsters, etc., representing certain of its employees, parties to the dispute subject to investigation and report by Emergency Board No. 117, acting under Executive Order 10696 that an extension of time for an additional thirty (30) days, that is to say not later than and including March 25, 1957, is requested to afford adequate opportunity for the Board to complete the investigation of this matter and the making of its report; and

It is further stipulated and agreed that during the additional thirty (30) days herein requested and for an additional thirty (30) days after such report is made to the President, no change will be made by the Railway Express Agency, Inc. or the International Brotherhood of Teamsters, etc., representing certain of its employees, or either of them, except by agreement, with respect to the terms and conditions of employment out of which the dispute before the Board arose.

Signed at Philadelphia, Pa., this 14th day of February 1957.

RAILWAY EXPRESS AGENCY, INC.

(Signed) John N. Meisten

JOHN N. MEISTEN

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, ETC.

By ALBERT EVANS

APPENDIX C

THE WHITE HOUSE,
Washington, February 19, 1957.

DEAR MR. CHAIRMAN: By direction of the President, I am authorized to inform you of the approval of the recommendation contained in your letter of February 18 for an extension of time in the filing of the report and recommendations of the Emergency Board created on January 25, 1957, to investigate a dispute between the Railway Express Agency, Inc. and its employees represented by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.

This approval permits the Emergency Board to file its report and recommendations not later than March 25, 1957.

Sincerely,

(Signed) J. William Barba,
J. WILLIAM BARBA,
Assistant Special Counsel to the President.

The Honorable LEVERETT EDWARDS,
Acting Chairman, National Mediation Board,
Washington, D. C.

APPENDIX D

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN & HELPERS OF AMERICA AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR

December 16, 1955.

Mr. JOHN N. MEISTEN,
Vice President, Personnel, Railway Express Agency,
219 East 42d Street, New York City, N. Y.

DEAR SIR: In conformance with the Railway Labor Act, we take this opportunity to advise you that the International Brotherhood of Teamsters, on behalf of Local Union No. 37 of Newark, N. J., Local Union No. 85 of San Francisco, Cal., Local Union No. 127 of Cincinnati, Ohio, Local Union No. 561 of Cleveland, Ohio, Local Union No. 610 of St. Louis, Mo., Local Union No. 623 of Philadelphia, Pa., Local Union No. 720 of Chicago, Ill., and Local Union No. 782 of Maywood, Ill., wish to reopen all the terms and conditions of the current working rules, wages and insurance program and to enter into negotiations with Railway Express Agency, looking to negotiate new working rules, wages and insurance programs.

Enclosed find a list of specific changes we are asking.

Upon your receipt of this letter, we shall be happy to arrange meetings to carry on such negotiations as may be necessary.

Awaiting your reply, we remain,

Sincerely,

(Signed) Albert Evans,
ALBERT EVANS,
General Organizer.

AE/jd
C. C. Local Unions 37, 85, 127, 561, 610, 623, 720, and 782.

C. C. EINAR MOHN
Registered

APPENDIX D

[Attachment to letter of Albert Evans to John N. Meisten, dated December 16, 1955.]

RULES CHANGES

Addendum A

Change Addendum A, Paragraph (d) to read as follows; (d) The method of determining the number of employees and the determination of employees on this Extra List at each point shall be ten percent (10%). Extra List employees shall not at any time exceed ten percent (10%) of the number of regular employees.

Rule 46—Weekly Work

Add the following paragraph at the end of Rule 46:

"All work performed on Saturday and Sunday shall be paid for at punitive rates."

Rule 48—Reporting and not Used

Change the first paragraph of Rule 48 to read as follows:

Employees required, or instructed to report at regular starting time and place for a day's work, when conditions prevent work being performed to be allowed a minimum of eight (8) hours' pay at prorata rates. If required to work any part of the time so held and, through no fault of their own, are released before a full day's work is performed they will be paid not less than a full day's pay unless they lay off of their own accord.

Rule 62—Holiday Work

Change Rule 62 to add Good Friday, Election Day, and Veterans' Day to the list of paid holidays. Increase the punitive rate for holiday work from one and one-half time to double time, and add the following sentence: "Holidays not worked shall be paid for at the rate of eight (8) hours at straight time rates."

Rule 63—Basis of Pay

Change present Rule 63 to read:

"All employees covered by this agreement shall be paid weekly, on Friday."

Rule 64—Check-Off

The Agency agrees to deduct once each month, from the wages of each employee covered by this agreement, the sum of 1 month's dues, and to forward this sum to the office of the local union to which such member belongs; such deduction will only be made after the member has authorized the Agency to make such deduction in writing.

Article VIII—Over-the-road truck service.—Change article to read as follows:

"Where the Railway Express Agency maintains or establishes such service, the general agreement governing wages, hours of service and working conditions and rules shall apply to employees in the over-the-road service in the same manner and to the same degree as the Agency employee."

Rule 79—Uniforms

Strike out words "cap and jumper."

Rule 80—Annual Vacation

To read as follows:

Vacations will be granted to employees upon the following basis and conditions:

(a) Employees having more than 1 year's service but less than 2 years' service—five (5) working days with pay.

(b) Employees having two (2) years or more service but less than ten (10) years' service—ten (10) working days with pay.

(c) Employees having ten (10) years or more service but less than fifteen (15) years' service—fifteen (15) working days with pay.

(d) Employees having fifteen (15) years' or more service—twenty (20) working days with pay.

(e) In the event an employee is entitled to vacation and becomes disabled by sickness or injury, dies or leaves the employment of the Agency, he, or his beneficiary shall be paid in the amount he would have received had he gone on vacation while in the employ of the Agency.

Rule 82

A. This is a new rule and shall read as follows:

Without regard to the age of employees, all Agency employees covered by this agreement shall be covered by the life insurance program in effect as a condition of this contract during the terms of their employment by the Agency.

B. This is a new rule and shall read as follows:

The Agency shall contribute the sum of ten cents ($0.10) per hour to a Health and Welfare and Insurance program, the details of this program to be worked out by the parties.

C. This is a new rule and shall read as follows:

Severance pay shall be paid to all employees that are terminated by the Agency, without regard to the reasons for such termination, on the basis of one week's pay for each year of continuous service.

In addition to the above proposed changes we are asking that Railway Express drivers wages shall be raised in an amount sufficient to make their wages equal to those of comparable freight drivers employed under Teamster Local Cartage contracts in the particular city in which they are employed, or thirty cents ($0.30) per hour, whichever is the greater.

Retroactivity on wages shall be effective from the date on which the Agency was notified of our desire to re-open the working rules and wage and insurance schedules for negotiations.

[End of attachment.]

APPENDIX E

RAILWAY EXPRESS AGENCY, INC.

DEPARTMENT OF PERSONNEL,
219 East 42d Street, New York 17, N. Y.
At Washington, D. C., August 14, 1956.

NATIONAL MEDIATION BOARD,
Washington 25, D. C.

GENTLEMEN: On December 16, 1955, the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America served notice on the Agency of a desire to revise the Agreement Governing Hours of Service and Working Conditions between the Agency and its employees represented by that Organization, effective June 28, 1954; to increase basic rates of pay currently in effect for such employees; and to change the current Health and Welfare Plan which became effective December 16, 1955.

The parties conferred with respect to said notice on January 18, to 20, inclusive, February 28 to March 1, inclusive, March 26 to 28, inclusive, May 22 and 23, and August 14, 1956, and disposed of certain items of the demands. The following items, however, still remain in dispute:

1. Rule 46—Weekly Work
2. Rule 63—Basis of Pay
3. Proposed Rule 64—Check-Off
4. Rule 80—Annual Vacation
5. Revision of Rule 82 to include proposed changes in present Health and Welfare Plan
6. Wage Increase

The parties having been unable to agree with respect to the foregoing items terminated their conferences on August 14, 1956, and hereby jointly invoke the services of the National Mediation Board.

Very truly yours,

RAILWAY EXPRESS AGENCY, INC.
(Signed) JOHN N. MEISTEN,
Vice President.

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, CHAUFFERS,
WAREHOUSEMEN AND HELPERS OF AMERICA.
(Signed) ALBERT EVANS, *General Organizer.*

APPENDIX F

NATIONAL MEDIATION BOARD, WASHINGTON

ARBITRATION OFFER

December 17, 1956, case No. A–5211.

Mr. J. N. MEISTEN, *Vice President—Personnel,*
Railway Express Agency, Incorporated,
219 East 42d Street, New York 17, N. Y.

Mr. A. L. EVANS, *General Organizer,*
International Brotherhood of Teamsters of America,
6001 Pulaski Highway, Baltimore, Md.

GENTLEMEN: On August 14, 1956, the Railway Express Agency, Incorporated, and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, by their duly authorized representatives made joint application in due form and in accordance to the provisions of the Railway Labor Act for the services of the National Mediation Board in the following dispute.

1. Rule 46—Weekly Work.
2. Rule 63—Basis of Pay.
3. Proposed Rule 64—Check-off.
4. Rule 80—Annual Vacation.
5. Revision of Rule 82 to include proposed changes in present Health and Welfare Plan.
6. Wage Increase.

This dispute was assigned for mediation to Mediator C. Robert Roadley and Board Member Francis A. O'Neill and has been the subject of mediation proceedings, without composing the differences. The Mediators report they have used their best efforts to bring about an amicable settlement through mediation but have been unsuccessful.

In accordance with Section 5, First, of the Railway Labor Act, the National Mediation Board therefore now requests and urges that you enter into an agreement to submit the controversy to arbitration as provided in Section 8 of the Act.

In making your written reply, which is requested at your earliest convenience, please submit it in triplicate so that we may transmit a copy to the other party as advice of your determination in the matter.

Very truly yours,

NATIONAL MEDIATION BOARD,
(Signed) E. C. Thompson,
Executive Secretary.

APPENDIX G

NATIONAL MEDIATION BOARD, WASHINGTON

January 30, 1957, case No. A–5211.

Mr. J. N. MEISTEN, *Vice President—Personnel,*
Railway Express Agency, Incorporated,
219 East 42d Street, New York 17, N. Y.

Mr. A. L. EVANS, *General Organizer,*
International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America,
6001 Pulaski Highway, Baltimore, Md.

GENTLEMEN: Reference is made to dispute between your respective carrier and organization in which mediation services of the Board were invoked jointly by the Railway Express Agency, Inc. and the International Bortherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America described as follows:

Six items covering: (1) Rule 46, (2) Rule 63, (3) Rule 64 (proposed), (4) Rule 80, (5) Revision Rule 82, (6) Wage Increase.

This case, No. A–5211, has been closed by action of the Board account the dispute being referred to Emergency Board created under Executive Order dated January 25, 1957.

By order of the National Mediation Board.

(Signed) E. C. Thompson,
Executive Secretary.

U. S. GOVERNMENT PRINTING OFFICE: 1957