Report

TO

THE PRESIDENT

BY THE

EMERGENCY BOARD

APPOINTED BY EXECUTIVE ORDER 10615 DATED JUNE 17, 1955, PURSUANT TO SECTION 10 OF THE RAILWAY LABOR ACT, AS AMENDED

To investigate a dispute between certain carriers represented by the Eastern, Western, and Southeastern Carriers' Conference Committees and certain of their employees represented by the Brotherhood of Locomotive Firemen and Enginemen.

(NMB Case No. A-4854)

WASHINGTON, D. C.
JULY 30, 1955

(No. 110)

LETTER OF TRANSMITTAL

WASHINGTON, D. C., *July 30, 1955.*

THE PRESIDENT,

The White House.

MR. PRESIDENT: The Emergency Board appointed under your Executive Order 10615 on June 17, 1955, pursuant to Section 10 of the Railway Labor Act, as amended, to investigate a dispute between certain carriers represented by the Eastern, Western, and Southeastern Carriers' Conference Committees and certain of their employees represented by the Brotherhood of Locomotive Firemen and Enginemen, has the honor to submit herewith its report and recommendations based upon its investigation of the issues in dispute.

Respectfully submitted.

CURTIS G. SHAKE, *Chairman.*
MARTIN P. CATHERWOOD, *Member.*
G. ALLAN DASH, Jr., *Member.*

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I. INTRODUCTION

On June 17, 1955, the President of the United States signed Executive Order No. 10615 reciting that a dispute between certain carriers represented by the Eastern, Western, and Southeastern Conference Committees and the Brotherhood of Locomotive Firemen and Enginemen threatened to "substantially interrupt interstate commerce to a degree such as to deprive the country of essential transportation service." A copy of said Executive order with a list of the Carriers involved is attached hereto as Appendix A.

Subsequently, however, the names of the Pennsylvania Railroad, the Baltimore & Eastern Railroad, and the Pennsylvania-Reading Seashore Lines were stricken from the list of the involved Carriers and that of the Central of Georgia was added thereto.

As of the said 17th day of June 1955, the President also appointed an Emergency Board of Curtis G. Shake, of Vincennes, Ind., who was designated as Chairman; Martin P. Catherwood, of Ithaca, N. Y.; and G. Allen Dash, Jr., of Philadelphia, Pa., and directed it to "investigate promptly the facts as to such dispute, and on the basis of the facts developed make every effort to adjust the dispute and report [to me] within 30 days from the date of the Executive order."

The Board, which was designated as President's Emergency Board No. 110 by the National Mediation Board, convened as directed on the 22d floor of 32 West Randolph Street in the city of Chicago at 10 a. m. on Tuesday, June 21, 1955.

By agreement of parties, Ward & Paul, of Washington, were designated as the official reporters. The appearances for the parties are set forth in Appendix B.

The hearing consumed 15 working days and resulted in a record of 2,600 pages. The Organization produced four witnesses and introduced 25 exhibits, while the Carriers had 16 witnesses and 40 exhibits. An interesting and unusual development at the opening session of the hearing was the announcement made by counsel for the Organization that it would not permit its witnesses to be subjected to cross-examination by counsel for the Carriers, but that its witnesses would undertake to answer any questions propounded by the members of the Board. The Board took the view that since it was merely a factfinding Board, without judicial powers, it had no authority to compel cross-examination and would not undertake to do so.

At the final session of the hearing the parties stipulated on the record that the time for the Board to submit its report to the Presi-

dent should be extended by agreement to and including August 1, 1955, and the President subsequently approved such extension. (See App. C.)

Throughout the period of its contacts with the representatives of the parties, the members of the Board made repeated efforts to find a basis for mediating the disputes, but they regret to have to report that these efforts were unsuccessful.

II. HOW THE DISPUTES ORIGINATED

On July 1, 1954, the Organization caused notices to be served on the carriers of two proposed changes in existing agreements between the parties as follows:

Proposal A: The wage increase of 4 cents per hour, or 32 cents per basic day, which current agreements provide shall become effective when yard service employees elect to adopt a five-day workweek, shall be increased to 32 cents per hour, or $2.56 per basic day.

Proposal B: The earnings from mileage, overtime, or other rules applicable for each day service is performed in all passenger and freight service, shall be not less than twenty dollars ($20) for engineers and eighteen dollars ($18) for firemen and for helpers on other than steam power.

Subsequently, on January 25, 1955, the Organization furnished the Carriers with an explanation of its Proposal B, which is set out in Appendix D.

Meanwhile, the Carriers countered with proposals for seven substantive changes in contract rules. Two of these were subsequently withdrawn, leaving five for the consideration of the Board, to wit:

1. Eliminate all rules, regulations, interpretations, or practices, however established, which require the carrier to use engine service employees in any capacity, on self-propelled roadway or shop equipment and machines.

2. Establish a rule or amend existing rules to provide that the carrier may, when there is less than 4 hours' switching service on any shift where yard service is maintained, on 7 out of any 10 consecutive days, abolish the last yard crew on that shift and thereafter require road crews to perform any and all switching on such shift without penalty [payment] to yard enginemen or additional payment to the road crews so used.

5. Eliminate all rules, regulations, interpretations, or practices, however, established, which restrict the carrier's right to provide for the interchange of cars between railroads, with the employees of either carrier, however performed, without restriction as to location of track or tracks where such interchange may be accomplished and without penalty or other additional payment to the employees.

6. Eliminate all rules, regulations, interpretations, or practices, however established, which in any way restrict the carrier's right to use engine crews, in all classes of service, to handle switches and perform such other service as may be required in connection with the movement of their engines within switching limits unaccompanied by yardmen, herders or pilots, or which provide any penalty payment to yard engine service employees as a result thereof.

7. Eliminate all rules, regulations, interpretations, or practices which restrict the right of the carriers to determine the necessity for assignment for use of hostlers at any point or on any shift.

The Organization has consistently contended that the Carriers' demands were too general in character to meet the requirements of the Railway Labor Act. However, at the first session of the hearing, counsel for the Carriers submitted an exhibit detailing the specific changes sought by them.

On January 10, 1955, a national conference was convened at Chicago to consider the matters in dispute and this conference continued in session with some interruptions until May 3. No understandings were reached, and on May 6 the Organization invoked the services of the National Mediation Board. The efforts of the Mediation Board to reconcile the differences were likewise unsuccessful, and on May 27 it proposed to the parties that the disputes be submitted to arbitration under the provisions of the Railway Labor Act. The Carriers agreed to accept this proposal but the Organization declined to do so, and on June 2 the secretary of the Mediation Board advised the parties that its efforts to adjust the disputes had been exhaused and that its services were being terminated as of that date.

The President's Executive order and the appointment of this Board followed on June 17, 1955, as detailed above.

III. INCREASE IN BASIC DAILY RATE UPON CONVERSION TO 40-HOUR WEEK

A. History of the 40-Hour-Week Movement

1. *Initiation of movement—1948.*—The 40-hour workweek movement was initiated in the railroad industry by the 16 Organizations representing nonoperating employees on April 10, 1948. These Organizations demanded a scheduled 40-hour workweek with 48 hours' pay for 40 hours' work, plus a third-round postwar increase of 25 cents per hour. The Organizations representing the yard and road service operating employees confined their 1948 demands to third-round postwar increases and did not request conversion of schedules to 40-hour workweeks. The road and yard service employees received a third-round post war increase of 10 cents per hour effective October 16, 1948, but the demands of the nonoperating employees were referred to Emergency Board No. 66.

The recommendations of Emergency Board No. 66, i. e., that a 40-hour workweek be established for nonoperaing employees with a 20 percent increase in all hourly rates and with a 7-cent-per-hour, third-round postwar increase (effective October 1, 1948), were adopted by the 16 Organizations and the Carriers in an agreement dated March

19, 1949. That agreement established a 40-hour workweek for the large majority of nonoperating employees (effective December 1, 1949), "made whole" (except for accompanying offset of 3 cents per hour of 1948 general increase) the wages of all employees reduced from 48 to 40 hours per week (those reduced from 7 days to 5 days per week were not "made whole," and those reduced from 7 days to 6 days per week received 16⅔-percent increases in hourly rates rather than 20 percent, and provided time and one-half for all hours worked in excess of 40 hours for the large bulk of nonoperating employees reduced to 40 hours. (Emergency Board No. 66 declined to make this same recommendation in the case of the Railroad Yardmasters of America and limited its recommendations to a 10-cent-per-hour increase in line with the settlement made with the operating groups in 1948.)

2. *The 1949–50 yard operating movement.*—On March 15, 1949, the Order of Railway Conductors and the Brotherhood of Railroad Trainmen served notices on the Carriers requesting a 40-hour workweek with maintenance of 48 hours' pay for yard employees represented by that Organization, together with requests for several rules changes. The Carriers filed counterproposals for rules changes on or about March 20, 1949.

On November 1, 1949, the Brotherhood of Locomotive Firemen and Enginemen served notices on the Carriers also requesting the 40-hour workweek with maintenance of 48 hours' pay for yard service engine employees represented by that Organization, plus requests for several rules changes. (References made in this report to "yard service engine" employees cover the Engineers, Firemen, Outside Hostlers, Inside Hostlers, and Outside Hostler Helpers represented by the BLF & E.) The Carriers also filed requests for rules changes.

In December 1949, the Switchmen's Union of North America served notices on the Carriers requesting a 40-hour workweek with maintenance of 48 hours' pay, and likewise requested rules changes. Here, too, the Carriers requested rules changes. At about this same time, the Railroad Yardmasters of America renewed negotiations on its request for a 40-hour workweek with 48 hours of pay that had been declined by the Emergency Board No. 66.

In January 1950, the Brotherhood of Locomotive Engineers served notices on the Carriers for a 20-percent increase in rates of pay plus rules changes. No mention was made by it concerning the establishment of the 40-hour workweek with the maintenance of 48 hours' pay. The Carriers filed requests for rules changes.

Negotiation in 1949 and early 1950 between several of the Organizations of operating employees and the Carriers did not resolve the existing issues. The services of the National Mediation Board led to

mediatory conferences early in 1950 that failed to find solutions to the issues. Arbitration of the issues was refused by the Organizations.

3. *1950 Emergency Board's recommendations.*—On February 24, 1950, Emergency Board No. 81 (known as the McDonough Board) was created to determine the facts of the several disputes and to make recommendations for their settlement. Emergency Board No. 81 heard and made recommendations (June 15, 1950) to settle the dispute between the Carriers and the Order of Railroad Conductors and the Brotherhood of Railroad Trainmen. The same personnel as on Emergency Board No. 81 made up Emergency Board No. 83 and issued findings and recommendations (dated April 18, 1950) to the effect that it would suggest settlement of the case involving the Carriers (Western Carriers' Conference Committee) and the Switchmen's Union of North America on the same basis as it would later recommend settlement of the issues involving the other Brotherhoods then before it. The same personnel as on Emergency Board No. 81 also composed Emergency Board No. 84 to settle the issues (Board Report, June 15, 1950) between the Carriers and the Railroad Yardmasters of America.

Emergency Board No. 81 recommended the establishment of a 40-hour work week, with overtime for all hours over 40 per week for the yard operating employes then before it. It recommended a wage incerase of 18 cents per hour apparently to reestablish the uniformity in wage-rate increases between the employees represented by the operating Brotherhoods and the rates of the employees represented by the nonoperating Brotherhoods who, on December 1, 1949 (in accordance with the recommendations of Emergency Board No. 66), had received upward wage adjustment (averaging 23.5 cents per hour) to maintain take-home pay upon conversion to a 40-hour, 5-day week. The Board also recommended adoption of a number of rules changes requested by the Organizations and Carriers, and the withdrawal of others.

Emergency Board No. 81 (as well as Emergency Boards Nos. 83 and 84) can be said to have supported the request of the Organizations for the establishment of a 40-hour workweek, but not with the full maintenance of 48 hours' pay. It accepted the principle that uniform, across-the-board, cents-per-hour wage increases had been applied to the rates of pay of all classes of railroad employees since 1937, and recommended increases in the rates of pay of the yard operating employees (to become effective with the institution of the 5-day, 40-hour workweek) that would restore the traditional cents-per-hour differentials that had existed between the rates of the yard service and the nonoperating employees prior to the adoption of the 40-hour workweek for nonoperating employees.

4. *Negotiations, 1950.*—The Carriers accepted the recommendations of the McDonough Emergency Boards, but the Organizations rejected them. Extensive negotiations ensued punctuated by a strike of the Switchmen's Union against five railroads on June 25, 1950. Subsequent confinement of the strike to the Rock Island Railroad led to the Government taking possession of that railroad and the issuance of an injunction against the Switchmen's Union to end the strike.

On July 17, 1950, negotiations between the Carriers and the Conductors and Trainmen were moved to Washington. On August 8, 1950, conferences were opened between the parties at the White House. A strike threat led to the seizing of the railroads by the Government (August 1950), and negotiations were continued under the auspices of Dr. John R. Steelman at the White House. On August 19, 1950, a settlement formula was introduced by Dr. Steelman that provided as follows:

(1) Call off strikes.

(2) Establish 40-hour week for yardmen at 23 cents per hour increase (included 18 cents per hour recommended by McDonough Board plus 5 cents per hour additional general basic wage increase).

(3) For the period of this agreement, set aside the 40-hour agreement and establish a 6-day workweek. Men required to work seventh day to receive one and one-half pay. This does not create guarantees where they do not now exist.

(4) Settle all rules, including the 40-hour workweek rules, in accordance with recommendations of the President's Emergency Board.

(5) Road men to reecive 5 cents per hour increase.

(6) Quarterly adjustment of wages on basis of cost of living index (one point to equal 1 cent per hour).

(7) In consideration of the above, this agreement is to be effective until October 1, 1953, at which time either party may serve notice of desired changes in accordance with the Railroad Labor Act.

This proposal of settlement was accepted by the Carriers but was rejected by the Conductors and the Trainmen. However, in the meantime, negotiations being conducted between the Carriers and the Switchmen's Union of North America were successfully concluded on September 1, 1950, on the basis of the settlement formula suggested by Dr. Steelman. (The results of these negotiations were embodied in an agreement dated September 21, 1950.)

On October 5, 1950, negotiations began between the Carriers and the Brotherhood of Locomotive Engineers. On October 11, 1950, the Brotherhood of Locomotive Firemen and Enginemen presented a request for a general wage increase to the Carriers to augment its standing request for a 40-hour workweek with 48 hours' pay then pending. Conferences between that date and November 21, 1950, were fruitless, and on the latter date were moved to the White House with all four operating Organizations cooperating in pressing their com-

mon demands while urging their specific demands. (In the meantime, on November 2, 1950, the Carriers and the Railroad Yardmasters of America reached an agreement based on Dr. Steelman's settlement formula of August 19, 1950.)

On December 21, 1950, a so-called "White House Agreement" was reached providing the following pertinent principles:

1. Establishment of a 40-hour workweek for yardmen, with an increase of 23 cents per hour effective October 1, 1950, and an additional 2 cents per hour effective January 1, 1951.

2. Set aside 40-hour workweek arrangement until January 1, 1952, and establish a 6-day workweek for yardmen.

3. Establishment of time and a half for yardmen required to work on the seventh day, except engineers.

4. Option of employees (after October 1, 1951) to go on a 40-hour week on 3 months' notice, provided manpower was available *and 4 cents per hour if and when the 40-hour week actually becomes effective.* [Italics added.]

5. Settle all rules including those for 40-hour week and 6-day week.

6. Provide for quarterly adjustment of wages on the basis of the cost-of-living index (one point to equal 1 cent per hour) on the base of 176, first adjustment April 1, 1951.

7. Agreement to be effective until October 1, 1953, with a moratorium for proposals of changes in rates of pay, rules, and working condtions, and a proviso that if, as a result of Government wage stabilization policies, workers are permitted to receive annual "improvement factor" increases, the parties should discuss whether or not further wage rate adjustment would be justified.

8. Agreement such as above to be drawn up embodying the same principles for yardmasters.

9. Effective October 1, 1950, basic hours of dining-car stewards to be reduced from 225 to 205 hours per month (with overtime to accrue after 240 hours) and pro rata rate to apply for work between 205 and 240 hours per month. Wage increases of $4.10 per month to be added to the monthly rate effective January 1, 1951, and overtime at time and one-half for hours over 220 after February 1, 1951.

10. Disagreements on details or rules to be submitted to Dr. Steelman for final decision.

The above document was signed by the heads of the four operating Organizations and the chairmen of the three Carriers' Conference Committees. It was accepted by the Carriers, but was subsequently rejected by all four Brotherhoods with considerable animosity resulting therefrom.

5. *Negotiations, 1951.*—On January 18, 1951, conferences were resumed between the Carriers and the four Operating Brotherhoods in Washington, D. C., under the aegis of the National Mediation Board.

On February 8, 1951, the United States Department of the Army, then operating the railroads under seizure, issued General Order No. 2 directing all striking employees to return to work by 4 p. m., February 10, 1951, and to continue to work, when called, or be subject to dismissal. This General Order put into effect interim wage-rate increases

effective retroactively to October 1, 1950, in the amount of 12½ cents per hour for yard operating employees and 5 cents per hour for road operating employees. It made no reference to nonoperating employees.

In the interim, the cooperating organizations representing the nonoperating employees requested a fourth-round postwar rate increase in the amount of 25 cents per hour. Negotiations on this matter were ultimately settled in Washington, D. C., through the efforts of Dr. John R. Steelman, as mediator, and on March 1, 1951, a wage increase of 12½ cents per hour was negotiated for all nonoperating employees, This agreement likewise contained cost-of-living adjustments similar to those granted to switchmen and yardmasters, except that they were based upon an arbitrary index of 178 instead of 176. This agreement also contained a moratorium on new wage-rates proposals until October 1, 1953.

The continued difficulties of the four operating Brotherhoods to reach an amicable settlement of their then pending issues with the Carriers led to a hearing before the Committee on Labor and Public Welfare of the United States Senate, on certain dates from February 22 to April 5, 1951. The record of the hearings was made a part of the record in the instant case.

6. *Settlement of conversion issue, 1951–52.*—After the Senate committee hearings, but before the committee made its report, an agreement was reached between the Carriers and the Brotherhood of Railroad Trainmen disposing of all the existing issues. This settlement was patterned after the August 19, 1950, settlement formula suggested by Dr. Steelman and used as the basis for the settlements in the Switchmen's and Yardmasters' cases. No settlement, however, was reached in the cases between the Carriers and the Order of Railway Conductors, Brotherhood of Locomotive Engineers, and the Brotherhood of Locomotive Firemen and Enginemen.

Efforts by the National Mediation Board were not successful in bringing about a solution of the issues existing between the Carriers and the ORC, BLE, and the BLF & E. A strike ballot was spread by the latter organization, strike action was approved by the members, and a work stoppage was called for November 8, 1951. The President created Emergency Board No. 97 to investigate the dispute between the Carriers and the BLF & E, and to make findings and recommendations thereon. That Emergency Board opened its hearings on November 27, 1951, in Washington, D. C. Following an opening statement setting forth briefly the Organization's position on the issues, the Brotherhood representatives left the hearing. The public hearings were continued from November 27, 1951, to December 17, 1951, and a report was filed with the President on January 25, 1952.

That Board recommended that the BLF & E accept the same agreement as had been made with the trainmen's Organization. Subsequent negotiations between the Carriers and the BLF & E led to the signing of three agreements dated May 23, 1952, and known as Interim Agreement, Agreement B, and Agreement A. (See App. E.)

The May 23, 1952, agreements signed between the Carriers and the Brotherhood of Locomotive Firemen and Enginemen, like the 1951 and 1952 agreements reached with the other operating Brotherhoods, did not "make whole" the earnings of the yard service engine employees upon conversion to a 40-hour week. The wage adjustments sought by the Brotherhood for conversion to the 40-hour week were based on the same principles as those used by Emergency Board No. 66 in recommending the establishment of a 40-hour workweek for nonoperating employees; i. e., a 20-percent increase in basic hourly earnings and daily rates in addition to other across-the-board increases and cost-of-living increases then effective for all nonoperating and operating Brotherhoods.

The May 23, 1952, agreement that was to become effective for the yard service engine employees upon conversion to the 40-hour week (Agreement A, App. E) provided for a wage increase of 4 cents per hour in addition to the negotiated wage incerases of 27 cents per hour (23 cents as of October 1, 1950; 2 cents as of January 1, 1951; and 2 cents as of March 1, 1951) that was provided under the 6-day agreement of May 23, 1952 (Interim Agreement, App. E), and effective up to the time a 40-hour workweek would be adopted in accordance with the terms of the May 23, 1952, Agreement B (App. E). The 27 cents-per-hour wage increase was to be effective for the 5-day, 6-day, and 7-day workweeks for all yard operating employees, but the additional 4 cents per hour was to be applicable only upon conversion to a 5-day, 40-hour workweek.

On May 23, 1952, the Engineers and Conductors also concluded settlements with the Carriers that followed the pattern of the settlement previously made by the Trainmen.

The wage increases and the provisions for conversion to the 5-day, 40-hour workweek the same in all four agreements (1 in 1951 and 3 in 1952) covering yard operating employees. It should be noted in passing that the May 23, 1952, agreements were the ultimate settlement of 40-hour workweek demands filed by the operating Brotherhoods for yard service employees between March 15, 1949, and November 1, 1949, an interval ranging from 31 to 38 months.

7. *The 1952–53 wage movement.*—In the 1952–53 period, all of the principal railway labor organizations requested cents-per-hour wage increases. This was done under the wage reopening clauses that were part of the agreements negotiated in 1951 and 1952. All five organiza-

tions representing operating employees joined with the nonoperating employees in presenting a common request for a wage improvement factor to Mr. Paul Guthrie, who was appointed by the President of the United States to determine whether any further wage increases were justified in the 1952–53 period.

On March 19, 1953, a uniform increase of 4 cents per hour, effective December 1, 1952, was awarded by Mr. Guthrie to all railroad employees represented by all of the Organizations. In the wage movement of 1952–53, no request was made by any Organization for an increase in the wage rate applicable to conversion from a 48–hour to a 40-hour workweek.

8. *The 1953–54 wage-rules movement.*—The 1953–54 negotiation period was characterized by requests from the various Organizations for wage increases and rules changes. This movement was initiated on May 22, 1953, by the 15 nonoperating Organizations which sought rules changes on such things as increased vacation benefits, paid holidays, premium pay for Sunday and holiday work, free health and welfare insurance, and free contract transportation. These nonoperating Organizations confined their requests to rule changes because they were barred by their March 1, 1951, agreement from raising the matter of wage changes until October 1, 1953. The rule changes were presented to Emergency Board No. 106, which recommended the adoption of a number of them at a cost estimated as approximately 5 cents per hour in excess of the rules changes granted to the operating employees. In addition, the final settlement canceled the cost-of-living provisions contained in the 1951 agreement and incorporated into basic rates the 13 cents per hour in accumulated cost-of-living increases.

Prior to the time Emergency Board No. 106 made its report, and on October 1, 1953, the Organizations representing operating employees served various demands for wage increases on the Carriers. In some cases changes in rules were sought. Between December 1953 and April 1954, settlements were reached with most of these Organizations providing for the cancellation of the cost-of-living escalation clauses of prior agreements, the incorporation of previous cost-of-living increases into the basic rates (in amount of 13 cents per hour), increases in vacations from 2 weeks to 3 weeks for employees with 15 years or more of service, and a wage increase of 5 cents per hour across the board.

Two of the Organizations withheld from the settlement one rules demand, and the Brotherhood of Locomotive Engineers sought completely different treatment in the way of a 30-percent increase for Engineers to reestablish the 1936 percentage differential of engineers' rates over firemen's rates. Arbitration Board No. 192 denied this

request and granted the same wage and vacation benefit adjustments as had been negotiated for the operating employees represented by the other Organizations.

In the 1953–54 wage and rules movement, unlike that of 1952–53, there was one request for an increase in the basic rates applicable to conversion from a 48-hour to a 40-hour workweek. This request was by the Organization presently before this Board, the Brotherhood of Locomotive Firemen and Enginemen. In its demands served on the Carriers under date of October 1, 1953, this Organization asked for the same common rules and wage adjustments as did the other organizations and, in addition, made the following demand:

(c) Basic rates of pay applicable to firemen, and helpers on other than steam power, in yard, transfer, and belt line service, or combinations thereof, hostlers and hostlers helpers working on assignments established under 5-day-per-week agreements shall be increased an additional 37.5 cents per hour, or $3 per day, over and above increases provided for in Paragraph (B). (Paragraph B requested an increase of 37.5 cents per hour in the basic rates of pay for all employees covered by the agreement.)

On January 9, 1954, the BLF & E and the Carriers entered into an agreement patterned after the settlements obtained by the other Organizations of operating employees in the 1953–54 period. The demand quoted above was withdrawn as a part of this settlement and was not renewed until July 1, 1954.

9. *The 1954-55 wage-rules movement.*—The 1954–55 wage and rules movement, not yet brought to a conclusion, has included demands both for wage increases and rules changes with emphasis upon the latter. Three Organizations representing yard employees (the BLF & E, the BRT, and SUNA) included in their demands requests for basic daily rate increases for the 5-day week. The demands of the BLF & E, dated July 1, 1954, contained the following request listed as "Proposal A":

(A) Article 1, paragraph (d), of Agreement A made the 23d day of May 1952, by and between the participating carriers listed in Exhibits A, B, and C, represented by the Eastern, Western, and Southeastern Carriers' Conference Committees, and the employees shown thereon and represented by the Brotherhood of Locomotive Firemen and Enginemen, shall be amended to read:

"(d) Upon the date this Agreement becomes effective as provided for in Agreement B, an additional 32 cents per hour, or $2.56 per day, shall be added to the rate of engineers and firemen, and helpers on other than steam power, in yard service, and hostlers and outside hostler helpers."

Settlements were reached between the carriers and the BRT and the SUNA in 1955 on all matters except the requests of these organizations for increases in the basic rates for employees on 5-day workweek operation, or those who were to go on 5-day workweeks in the future. In each of these instances this issue has been held over for further handling. It is expected that the "further handling" will

be patterned after the affirmative results, if any, of the negotiations between the BLF & E and the Carriers arising out of the recommendations of this Emergency Board on the conversion issue.

The inability of the BLF & E and the Carriers to agree upon a settlement of the Organization's conversion increase demand dated July 1, 1954, inclusive of the request for an increase in the basic daily wage for employees represented by this Organization who have converted to a 5-day workweek (as quoted above), has been presented to this Emergency Board for a recommendation of settlement.

B. Position of the Organization—40-Hour Conversion Issue

The Organization strongly contends that the proposal for an increase in the 4 cents per hour conversion factor is directed toward establishing an equitable and realistic basis upon which the yard service engine employees can be encouraged to adopt the 40-hour workweek so common today in American industry. The 1949–52 wages and hours movement in the railroad industry saw the Carriers offering such substantial and persuasive barriers to the adoption of an effective 40-hour workweek for yard operating employees that, even though it is claimed that the 40-hour workweek now exists for yard operating employees, the overwhelming majority of these employees have not been able to convert to the shorter workweek because of the drastic reduction in their earnings that would result. The Organization asks the Emergency Board to recommend an increase in the existing conversion factor of 4 cents per hour (32 cents per day) to 32 cents per hour ($2.56 per day) to permit effective utilization of the 40-hour workweek by yard service engine employees without major financial sacrifices.

The Organization seeks to impress on the Board its contention that abundant evidence is available to support the conclusion that yard service engine employees are entitled to a 40-hour workweek. The Leiserson Board (No. 66) in 1948, the McDonough Board (No. 81) in 1950, and the Senate Committee on Labor and Public Welfare in 1951 have all concluded emphatically that employees of the railroad industry are entitled to a 40-hour workweek, the latter two confining their conclusions to the only large group of railroad employees not then on a 40-hour workweek, the yard operating employees.

1. *Solution to unemployment problem.*—The extent of unemployment among firemen and hostlers points to the need for a shorter workweek to stabilize employment among them and to contribute to a healthy economy, the Organization argues. Between 1948 and 1954, some 21,000 firemen and hostlers have lost their jobs in the industry, and of those remaining, some 24 percent received unemployment benefits in 1954. It is noted that engineers, when laid off, can displace

firemen, but when firemen lose their jobs there is no place for them to go. Hence the impact of unemployment is greatest against firemen, and an effective way to spread employment by adoption of a 40-hour workweek is imperative. The Leiserson Board cited the decline of railroad employment as one of the reasons for its recommendation of the 40-hour workweek for nonoperating employees.

2. *Shorter workweek not effective.*—The Organization maintains that the May 23, 1952, agreements, which provided for an optional adoption of the 40-hour workweek, contained many barriers to the effective institution of the shorter workweek for yard service engine employees. The optional feature, never sought nor pressed by the Organization, was introduced during the August 1950 intervention of the White House and was subsequently accepted by the parties partly to solve the then existing problem of manpower shortages in some areas, partly to permit employees to choose whether or not they wanted to assume the economic losses in conversion to a 40-hour workweek without full maintenance of 48-hour earnings, and partly to enable the Carriers to anticipate and make changes in work schedules to adjust to the shorter workweek. Had manpower shortages not been present, and had the Carriers agreed to the full maintenance of 48-hours' earnings on conversion to a 40-hour workweek, there would have been no need for this optional feature, and yard service engine employees would now have an effective 40-hour workweek. But these obstacles were present and, as a result, only approximately 11 percent of yard service engine employees are today on a 40-hour workweek, the large majority of which are employees of a single Carrier.

The Organization notes that the Carriers have argued for many years that yard operating employees have had it within their power to work a 5-day week whenever they desired because of the existence of a railroad industry policy that permits operating employees to take as much time off as they desire consistent with operating requirements and availability of extra men. But, the Organization urges, these days off have been without pay, thereby resulting in sacrifices of 14 percent to 28 percent of an employee's weekly earnings. Inequity, if not sophistry, is present in any argument that railroad yard operating employees have been able to enjoy a 40-hour workweek like employees in the rest of American industry merely by sacrificing 1 or 2 days of pay each week. The Organization observes that both Boards Nos. 66 and 81 disregarded this argument. Effective utilization of the 40-hour workweek for yard service engine employees, as provided by the May 23, 1952, Agreement A, can never occur if such employees must experience a drastic reduction in weekly earnings, the Organization concludes. The Leiserson Emergency Board recognized the principle that equitable effectuation of a 40-hour workweek for nonoperating

employees (the large bulk of the employees in the railroad industry) required the maintenance of 48-hour earnings. That principle has never been given the opportunity to soften the impact of the conversion from 48-hour to 40-hour workweeks for yard operating employees. The Organization in this Proposal A seeks a recognition of that principle to enable yard service engine employees to adopt the 40-hour workweek without great personal financial sacrifice.

3. *Unjust economic burdens involved.*—Conversion to a 40-hour workweek by yard service engine employees today (under Agreement A) results in substantial losses in weekly, monthly, and annual earnings, the Organization asserts. Using the basic wage rates effective for the representative weight of locomotive for engineers and firemen in yard service, and the single basic wage rate effective for outside hostlers, inside hostlers, and outside hostler helpers, losses in nominal full-time earnings upon conversion to a 40-hour workweek would be as follows:

Losses in earnings on conversion to 40-hour workweek under Agreement A

Classification	Weekly losses	Monthly losses	Yearly losses	Net spendable income losses [1]
Engineers and motormen	$15.89	$68.86	$826.28	$681.04
Outside hostlers	14.20	61.92	743.08	608.08
Firemen	13.91	60.28	723.32	591.94
Inside hostlers	13.61	58.98	707.72	571.52
Outside hostler helpers	13.00	56.33	676.00	529.89

[1] Savings on income taxes and Railroad Retirement taxes because of lower income, are deducted from "Yearly losses" in arriving at "Net spendable income."

The Carriers admit that conversion to a 40-hour workweek will result in a substantial loss in annual earnings for yard service engine employees, though they contend the losses will be somewhat less than the Organization's computations would indicate. But even using the Carriers' estimates (subject to serious question because they are based on the combination of yard service engine employees with three other groups), the conversion of the yard service engine employees to a 40-hour workweek will mean an average loss of $537 in annual eanings. Elimination from the Carriers' data of the three groups of yard train service employees not connected with these proceedings divulges an average loss of $905 in annual earnings for the five groups of yard service engine employees upon conversion to a 40-hour workweek.

The Organization suggests that the losses expressed above, whether based on the Organization's or Carriers' estimates, represent the price or penalty the Carriers require the yard service engine employees to pay to obtain a 40-hour workweek almost two decades after that privilege has been enjoyed by all employees of American industry except those in substandard industries.

The Organization contends that the earnings that will remain for yard service engine employees after conversion to a 40-hour workweek have a number of shortcomings. For instance, such earnings will yield insufficient income at today's cost of living to maintain the 1939 purchasing power of the yard service engine employees. With studies of the National Industrial Conference Board establishing the criteria, the net spendable income of yard service engineers in 1955 on a 40-hour workweek is 13 percent less than in 1939, and that of yard service firemen is 1.9 percent less. In marked contrast to this reduction in the standard of living of two major groups of yard service engine employees is the experience of production workers of the United States who, in a comparable period, enjoyed a 50.5-percent increase in net spendable earnings.

Yard service engine employees converting to a 40-hour workweek under Agreement A will receive earnings that fail to meet a second criteria recognized as appropriate in wage analyses of particular industries, the Organization argues. The annual earnings after conversion will not be enough to maintain a reasonable standard of living. Except for yard service engineers, the nominal full-time annual gross earnings of all classes of yard service engine employees upon conversion to a 40-hour workweek would fall far short of meeting the median requirements of the "City Worker's Family Budget," as propounded by the United States Bureau of Labor Statistics, at the cost of living existing in April 1955. A large number of yard service engineers would fall short of attaining the median requirements of a reasonable standard of living (and other classes of yard service engine employees would fall far shorter) because the figure used for nominal full-time annual earnings upon conversion is a full 40-hour week for all of the 52 weeks in the year, and a great many yard service employees do not work so regularly. (The percentage of yard service firemen who do not receive full-time work 52 weeks at 5 or 6 days per week is much greater than that of yard service engineers because of the engineers' right to "bump" firemen in case of a reduction in employment.)

The Organization urges that the unjust economic burdens involved in the conversion of yard service engine employees to a 40-hour workweek under Agreement A—reflected insubstantial losses in weekly, monthly, and annual earnings, a failure to maintain 1939 purchasing power, and less than a reasonable standard of living—are the basic reasons why there will never be complete conversion under that agreement. The Carriers' insistence upon the indefinite maintenance of its provisions, not required by any of its provisions, will do nothing but promote lasting unrest to the detriment of the Carriers themselves, the employees, and the public interest. A realistic solution to this

practical problem of achieving effective conversion to a 40-hour week for yard service engine employees without placing upon them unjust economic burdens is imperative, the Organization concludes.

4. *Insufficient conversions factor is historical.*—The Organization states that it has never given a commitment nor entered into any agreement that prevents it from seeking an equitable adjusment of the rates for conversion to a 40-hour workweek. The employees are neither legally nor morally bound not to seek an effective basis for converting to a 5-day week.

The Organization insists that the Carriers have been aware of the fact that the 1951–52 agreements providing for the optional conversion of yard operating employees to a 40-hour workweek without full maintenance of 48-hour earnings has been a constant source of discontent among their yard operating forces. The June 15, 1950, Emergency Board (No. 81) report that introduced the principle of the 40-hour workweek for yard operating employees without full maintenance of 48-hour earnings, despite the precedent established by the Leiserson Board (No. 66) in recommending full 48-hour earnings for 40-hour workweeks for the large bulk of railroad employees in nonoperating jobs, was the foundation upon which the present controversy has been built. Even with substantial additions to that Board's recommendations, effectuated largely through the intervention of the White House, the Carriers were well aware in 1952 that the principle of conversion to a 40-hour workweek without full maintenance of earnings was an anathema to the large operating brotherhoods representing yard operating employees. It was only by obtaining settlements from two of the smaller organizations (i. e., those representing the Switchmen and Yardmasters) along the lines of the suggested White House settlement that the Carriers established a pattern of wage increases and conversion factor that the larger organizations eventually were forced to accept, the Organization reasons.

Once a settlement of general wages and the conversion factor for the two groups of employees was established in 1950 and approved by the Federal Wage Stabilization Board set up to control wages to avoid interference with the Korean war effort, the Organization charges that a pattern of wage increases was established for the railroad industry that could not be breached. (An agreement between a small carrier and the BLF & E that exceeded the earlier settlements by ½ cent per hour was denied by the Railroad and Airline Wage Board on December 13, 1951.) Operation of the railroads under seizure by the Government, with an injunction prohibiting the use of the economic pressure of a strike, was still another limitation on free collective bargaining during that period. Since the BLF & E could

not hope to break out of the bonds thus forged, it had to capitulate in the May 23, 1952, settlement that contained a conversion factor insufficient to "make whole" the yard service engine employees upon conversion to a 40-hour week.

5. *No "Purchase" of 5-day week.*—The Organization holds that the Carriers mistakenly claim to have "purchased" or "bought" the 40-hour workweek for yard service engine employees by granting at least 18½ cents per hour on May 23, 1952, as an adjustment for such conversion. The May 23, 1952, agreement, the final expression of the intent of the parties regardless of what preceded it, divulges not one single word that supports the Carriers' theory. The wage increases, except for the cost-of-living adjustments, are set forth in Article 1 of Agreement A (see App. E). The single reference to the 40-hour workweek appearing in that article (sec. (d)) provides for the payment of "an additional 4 cents per hour or 32 cents per day" upon the date Agreement A becomes effective on any Carriers' property. Had the parties intended that anything more than this 4-cent-per-hour increase was to be an adjustment related to conversion to a 40-hour week, they could readily have expressed such an understanding.

The Organization points out that the Interim Agreement, which provides for 6-day operation, contained all of the wage increases included in the so-called 5-day agreement (Agreement A), except the 4-cent-per-hour conversion increase. Since the wage increases in the Interim Agreement were not related to conversion to a 5-day week, their duplication in Agreement A could not establish any such relationship. Therefore, the only recorded understanding of the parties is that conversion of yard service engine employees to a 40-hour workweek entitles them to a wage increase of 4 cents per hour.

The Organization suggests that if the Board goes beyond the "four corners" of Agreement A in attempting to discover whether or not any form of "advance payment on conversion" occurred thereunder, it should recognize the impact of the 12½-cent-per-hour wage increase granted yard service engine employees on February 8, 1951, under General Order No. 2 of the United States Department of the Army then in control of the railroads. That wage increase was the sole change in the wage scales of yard service engine employees from October 1, 1950, to May 23, 1952. When the May 23, 1952, agreements were signed, credit for this 12½-cent-per-hour increase was granted the Carriers against the other wage increases therein provided.

The method of institution of the 12½-cent-per-hour wage increase establishes no reasonable basis upon which to attribute any part of it to the conversion agreement of 1952, reached more than 15 months after the wage increase, the Organization holds. If this wage increase is deducted from the 18- or 18½-cent-per-hour wage increase claimed

by the Carriers as a "downpayment" on a conversion to a 40-hour week, the residual of 5½ cents or 6 cents per hour is the maximum that could be claimed as an "advance payment on conversion." But such reasoning leads to an endless morass of confusion. Neither party can complain if the Emergency Board confines its attention to Agreement A to determine that there is therein provided only a 4-cent-per-hour figure for conversion to a 40-hour week, the Organization concludes.

6. *"Option" not a bar to conversion increase.*—The Organization asserts that the provision of the May 23, 1952, agreement granting yard engine service employees on each property an option to convert to a 40-hour week did not originate with the Brotherhood. The Brotherhood's original notice of November 1, 1949, and its proposal of October 1950, set forth its 40-hour proposal without an optional feature. That feature appeared first in a White House settlement formula in August 1950, was accepted by the Carriers and the Switchmen's Union of North America (September 21, 1950), and was tendered by the Carriers to the BLF & E in a counterproposal of October 17, 1950. The BLF & E replied on October 23, 1950, and did not acquiesce in the option feature. Its presence in the May 23, 1952, agreement was at the behest of the Carriers and not the BLF & E, the Organization concludes.

In the Organization's opinion, the fear of the Carriers that a larger conversion factor will not encourage yard service engine employees to convert to a 40-hour week, and that operating costs of individual carriers will thus substantially depend upon the option of employees, is not well grounded. Available reports flowing from virtually all of the local and regional offices of the BLF & E sustain the conclusion that yard service engine employees have been holding back from conversion because of the failure of Agreement A to provide an adequate conversion factor.

Common sense dictates that yard service engine employees will not adhere to 6- and 7-day weeks if they are able to obtain satisfactory earnings from 5-day weeks, the Organization reasons. Like other workers living around them, they would like to enjoy leisure time with their families, and feel themselves entitled to a workweek that is the accepted standard for virtually all American industrial workers. Assurance of the Organization's desire for an effective 40-hour workweek was given to the Emergency Board by President Gilbert of the BLF & E in this concise summary:

> Let me make one thing clear. This organization has since 1949 wanted the yard service employees it represents on a 5-day workweek. We are now seeking an increase in the conversion factor which will enable our people to go on a 5-day week without a crippling sacrifice of income * * *.

If we are able to obtain a realistic offer from the carriers under which our people can go to the 40-hour week without endangering their economic welfare, then I am prepared to urge that our committees convert to the 40-hour week. I cannot, however, in fairness to the men I represent, urge them to take the cut in pay which the present contract calls for.

7. *Proposed conversion increase realistic.*—The Organization has proposed an increase in the conversion factor to solve the many problems previously mentioned. At the same time its proposed increase in the 4-cent-per-hour conversion rate (32 cents per day) to 32 cents per hour ($2.56 per day) will yield earnings that are reasonable in comparison with the rates of pay of the country's skilled labor force. The present straight-time hourly rates of yard service engine employees, and those which will result from the proposed increase in the conversion rate, are shown below:

Present average hourly rates on 48-hour week and proposed rates for conversion to 40-hour week

Class	Present hourly rates—48-hour week	Proposed hourly rates—40-hour week
Engineers and motormen	$2.19	$2.51
Outside hostlers	1.98	2.30
Firemen	1.94	2.26
Inside hostlers	1.90	2.22
Outside hostler helpers	1.82	2.14

The hourly rates the Organization proposes to accompany conversion to a 40-hour workweek will place the yard service engine employee in the lower part of the hourly rate range for production workers and nonsupervisorial employees of industries predominated by skilled workers, will be substantially below those for skilled building and printing trades, and will be somewhat below those of a substantial number of published rates of occupations regularly included in lists of skilled workers. This same result is reached when the comparisons are extended to weekly earnings, thereby indicating that the yard service employees are not seeking to use the conversion to a 40-hour workweek as a subterfuge to forge ahead of employees similarly skilled. Failure of the Carriers to make comparisons of the proposed conversion hourly wage rates with those of employees of skills comparable to yard service engine employees has caused them to conclude that the conversion rates are direct wage increases designed to yield earnings in excess of those obtained for combinations of skilled and unskilled workers in factory and other types of employment.

8. *Proposed conversion and industry wage relationships.*—The organization notes that the Carriers urge as a defense against the proposed increase in the conversion factor the contention that other organizations representing operating employees may seek a comparable

increase in wages. This may very well be true as respects the Brotherhood of Railroad Trainmen and the Switchmen's Union of North America, who are holding comparable conversion increase demands in abeyance possibly awaiting the outcome of the present Board's recommendations. But this fact is no defense for the Carriers, the Organization suggests, and only points more sharply to the necessity for finding a solution to this conversion problem acceptable to the organizations representing the yard operating employees.

The Organization also observes that the Carriers seek a defense in their expressed fear of a request for a flat wage increase by the Brotherhood of Locomotive Engineers to match any recommended wage increase for the members of the BLF & E regardless of the fact that the Engineers have shown no desire to adopt a 40-hour workweek. This position of the Carriers is not a proper argument against a justifiable increase in the conversion factor because the BLF & E seeks no general wage increase and asks only an increase in conversion rates for yard service engine employees who have converted or will convert to the 40-hour week. If this Board recommends, and the parties adopt, increased rates for yard service engine employees who elect to work a 40-hour week, and if conversion rate increases are confined to those on a 40-hour scheduled workweek, no basis is provided for a demand by the Engineers for higher rates of pay if they are unwilling to convert to a reduced workweek. In the Organization's opinion, daily differentials that favor firemen on accepted 5-day, 40-hour schedules over engineers who elect to continue on a 6-day schedule, provide no base to which to tie a request for a flat wage increase for engineers.

9. *Carriers'* "*ability to pay.*"—The Organization points out that the Carriers have painted a somewhat dim picture of their financial position urging an inability to meet the costs of the Organizations' proposals (A and B). But, the Organization alleges, much of the alleged difficulty in meeting the Organization's demands is caused by the Carriers' use of financial data for 1954. Had the Carriers' used financial data for that part of 1955 for which such data are available, a current position that the Carriers have always been able to describe when it has suited their purposes, a drastically different conclusion would have been inevitable.

The Organization emphasizes the fact that in the first quarter of 1955, while other business enterprises showed a 27-percent increase in net income, the Carriers experienced an increase of 78 percent. In the first 5 months of 1955, net profits for the railroad industry increased 19 percent over the same period in 1954. If ever an industry had no excuse for failure to adjust an inequity between two substantial groups of its employees such as the one to which Union Proposal

A is here directed, it is the railroad industry in 1955, the Organization insists.

The Organization urges that the improved financial position of the railroads in 1955 over 1954 is based upon a continuation and expansion of various factors that have gradually improved the general financial picture of the railroads over the past several years. While carloadings may have increased only slightly over the years, offsetting advantages have been attained by increases in net tons per car, number of cars per train, and the net tons per train. In addition, the average speed of freight trains has increased substantially so that the net ton-miles per train hour has approximately doubled between 1938 and 1954. The Carriers' own data show that average revenue per ton-mile for this same period rose from 0.983 cent to 1.42 cents. Thus it can be shown that on the average the railroad industry earned $124 in 1948 for each train-hour, while in 1954 it earned $342.

The Organization concludes that the data available for 1955 make the Carriers' plea of "inability to pay" the cost of the equitable and effective conversion of yard service engine employees to a 40-hour week highly inappropriate.

C. Position of the Carriers—40-Hour Conversion Issue

The Carriers strenuously object to the proposal of the Organization that the 4-cent-per-hour conversion factor for yard service engine employees be increased to 32 cents per hour. To all intents and purposes, this increase is nothing but a wage increase sought under the guise of a conversion factor that is not truly at issue between the Carriers and the Organization representing the yard operating employees.

The Brotherhood of Locomotive Firemen and Enginemen is the single organization pressing this issue at the present time, the Carriers observe. This Organization has offered no evidence that other groups and classes of yard service employees and other organizations, desirous of retaining 6- and 7-day assignments, will be willing to accept the wage differential proposed by this organization to be effective between the 5-day assignments and the 6- and 7-day assignments. Consequently, this Board has been offered no evidence that the Organization's proposal, granted in whole or in part, would have any effect in achieving a scheduled 5-day workweek among yard service employees. No urge in that direction lies in the Organization's unsupportable allegation that shorter workweeks are needed to solve unemployment among yard service engine employees.

1. *Issue twice settled.*—The Carriers point out that the question of the appropriate conversion rate for yard service engine employees upon adoption of the scheduled 5-day workweek has twice been pre-

sented to the Carriers in the past 5 years and has twice been settled by voluntary agreements reached between the Carriers and the Brotherhood of Locomotive Firemen and Enginemen. Since this issue has twice been settled through the voluntary collective bargaining of the parties, it should not be reexamined by this Emergency Board without a strong showing as to changes in circumstances. The Carriers see no virtue in concluding agreements with the organizations on any subject if such agreements may be reopened at any time thereafter without any showing as to changes in circumstances.

(*a*) *The 1952 settlement.*—The Carriers point out that this Organization's initial proposal for the 40-hour week and attendant wage adjustments, served on November 1, 1949, was considered in negotiations with all four of the organizations representing yard operating employees. Extended negotiations, mediation by the National Mediation Board, factfinding and recommendations by Emergency Board No. 81, mediation by the White House, investigation by the Senate Committee on Labor and Public Welfare, factfinding and recommendations by Emergency Board No. 97, and additional lengthy negotiations all contributed to a final settlement of the issue on May 23, 1952. That settlement expressed no reservation as to future reexamination of the issue and indicated that the parties had finally disposed thereof. The Carriers argue that, in equity and fairness, the Organization has no standing in its attempt to obtain a reexamination of but one single provision of that agreement.

(*b*) *The 1954 settlement.*—The Carriers note that on October 1, 1953, the BLF & E sought to raise the issue which has again been presented to the present Emergency Board. On January 9, 1954, an agreement was reached granting the employees represented by this Organization various alternative benefits in lieu of this proposal. The Organization withdrew the proposal which it has here again presented. No evidence has been adduced before this Board to divulge any changes in the facts or circumstances pertinent to the issue which would justify a reexamination of the issue twice concluded by the Organization itself. Therefore, the Carriers conclude, the 40-hour workweek has been "bought and paid for," and the Organization should not be supported in this attempt to get a "second payment for the same package."

(*c*) *Conversion rules settled.*—The conversion rules upon which the 1952 settlement was reached were a product of the Organization's own demands, the Carriers assert. Furthermore, that settlement, which was in no sense coercive on the yard service employees or the organizations representing them, did not contemplate uniform conversion of yard service engine employees to a 40-hour workweek. Had this been otherwise, no option for conversion to a 40-hour work-

week would have been attached to the 1952 settlement. But the option to convert to a 40-hour workweek was written into the 1951 and 1952 agreements, embodying the settlements of this issue, at the request of the several operating organizations including the Brotherhood of Locomotive Firemen and Enginemen.

The optional conversion rules were adopted as a means of harmonizing the conflicting desires of the yardmen, many of whom did not want then, and do not want now, to adopt the 40-hour workweek. The Organization has disregarded the true intent and understanding of the parties to the May 23, 1952 agreement, and seeks an unfair wage increase, when it contends that the failure of a great many yard service enginemen to assert their option to convert to a 40-hour workweek denotes the inadequacy of the 4-cent-per-hour conversion factor and requires an increase therein to 32 cents per hour. Such a proposal places a premium upon the delay of yard service men in asserting an option which the organizations representing them had to advance as a means of reconciling their conflicting desires as respects the 40-hour workweek. Having created the situation of which it now complains, this Organization (as one of the four main organizations that participated in the 1951-52 settlements of this issue) should not be permitted to use that situation as a lever for obtaining completely unwarranted and unjustifiable increases in the rates of pay of the employees it represents, the Carriers hold.

The 1952 settlement of the optional conversion rule is not to be disturbed in this case, the Carriers note, though the existence of the option rule has largely led to the situation of which the Organization here complains. Had the optional rule not been a part of the 1952 settlement, and had the yard service employees represented by the BLF & E (as well as the other organizations) all converted to a 40-hour workweek in 1952, no issue could presently exist between the parties, and the Organization's proposal would never have been presented. Yet it is to be observed that despite the emphasis placed by the Organization on the close relationship between the optional conversion rule and its need to press for an increase in the conversion factor, the Organization does not propose to abolish the optional feature of the 1952 workweek settlement. The Carriers maintain that no inducement in the form of an unwarranted wage increase, even if the present proposal would be adopted as presented, will cause the yard operating employees, represented by this and other operating organizations, to relinquish their right to determine for themselves the length of their scheduled workweek.

2. *Conversion settlement advantageous to yardmen.*—The 40-hour workweek settlements of 1950–52 were extremely advantageous to the yard service employees, the Carriers maintain. In this connection it

is argued that the yard service engine employees benefited substantially from the 40-hour workweek settlement with the nonoperating employees. The fundamental bases upon which the 40-hour workweek was recommended for nonoperating employees by Emergency Board No. 66 were wholly lacking in the 40-hour workweek case presented by the yard service engine employees. No comparable bases existed as respects technological unemployment, greater potential efficiency and productivity from shorter workweeks, ability to mark off whenever desired, capacity to compress 6- and 7-day schedules to 5-day schedules, uniformly lower earnings than comparable manufacturing industries, etc.

The wage increase recommended and granted the yard service engine employees in May 1952, as a means of correlating their total conversion wage increases with those of the nonoperating employees (18½ cents per hour), was more than double the 9-cent-per-hour increase they would otherwise have been entitled to on the basis of a comparison of their earnings with employees in outside industry.

The advantageous settlement made for yard service engine employees in 1952 enabled those who converted to the 40-hour workweek to more than maintain their take-home pay, the Carriers contend. Wage increases received by the yardmen under the 40-hour workweek settlements as of August 23, 1953 (the earliest date upon which the yard service engine employees could have adopted the scheduled 40-hour workweek), totaled 43 cents per hour, while their November 1, 1949, demand asked for only 29 cents per hour to maintain take-home pay. The record shows no single group or class of employees in American industry who were ever so well prepared to adopt the 40-hour workweek. Therefore, the Carriers emphatically assert, the failure of approximately 90 percent of the yard fireman to adopt the 40-hour workweek has had absolutely no relation to "the inadequacy of the conversion factor" nor to the "financial sacrifice involved."

The Carriers argue that still another highly advantageous aspect of the 1952 settlement of the 40-hour workweek issue for yard service engine employees lies in the fact that the yardmen received their 40-hour workweek adjustments much in advance of the 40-hour workweek and, in addition, were privileged to retain the right to work 6- or 7-day assignments at substantially the 5-day rate. (The wage differential has been the 4-cent-per-hour conversion factor.) No such option was offered to the nonoperating employees, and the record divulges few parallels for such favorable treatment in outside industry. With 40-hour workweeks established in common for yardmen and outside industry, wage data for 1954 compared with 1922 show that yard service engine employees have substantially improved their advantage over workers in outside industry.

3. *Relative positions of yard service employees improved.*—The Carriers assert, with supporting statistical data, that yard service engine employees have over the last 25 years improved their relative wage position among other railroad employees with respect to basic daily rates, average straight-time hourly rates, and annual earnings. In the period during which the 40-hour workweek adjustments have been made in the railroad industry, 1947–54, yard service engine employees have likewise improved their wage positions as compared with other employees involved in the 40-hour workweek conversion. Furthermore, yard firemen and hostlers, like other yard service employees, have fared as well or better than skilled workers in the nonoperating classes during the period of the 40-hour workweek adjustments. They have actually received greater money and percentage increases than those enjoyed by the skilled nonoperating employees who must meet far greater requirements as to skill and training, and who contribute far more productive effort than do firemen.

The improved position of the yard service engine employees to other employees is not limited to the railroad industry, the Carriers argue. Statistics show that yard service engine employees have increased their advantage over production workers in all manufacturing industries, with respect to average straight-time earnings during the period when the yard operating employees converted to a 40-hour workweek. Thus it can be asserted that yard service engine employees have already received a fair and equitable increase upon conversion to the 40-hour workweek, and have more than kept pace with workers in both durable and nondurable goods industries. Finally, data published by the Department of Commerce and the Bureau of Labor Statistics prove that the rates of pay of yard firemen and hostlers are excessive as compared with the rates of production workers in manufacturing industries in the United States, when training, skill, responsibility, and productive work are considered, the Carriers conclude.

4. *Conversion proposal a source of inequities.*—The Carriers observe that the 40-hour workweek settlements with the yard service employees in 1951 and 1952 preserved and maintained historic wage relationships (in uniform cents-per-hour wage adjustments) between yard service employees and nonoperating employees who are not paid on an incentive basis, and suggest that this was undoubtedly the most significant and vital of the many advantages of those settlements. Any increase in the conversion rate as proposed by the BLF & E would disturb and destroy those wage relationships and would result in demands by nonoperating railroad employees to restore their "equities," though the "inequities" of the nonoperating employees upon conversion to a 40-hour week were the basis of the 40-hour workweek movement of the yard service engine employees themselves.

The 1950–52 wage adjustments for the conversion of yardmen to 40-hour workweeks achieved equality between the yardmen and the nonoperating employees on the only basis which was above reproach from either group, the Carriers insist. The Organization's present conversion proposal seeks only to open a new gate through which can pour a whole new series of claimed inequities by all Organizations representing operating and nonoperating employees.

The Carriers charge that the Organization's proposal would create inequities between and among various carriers. Great diversity is found in the workweeks actually worked from one carrier to another and from one yard to another by men on 6- and 7-day assignments. With many classes of employees in yard service refusing to elect the 5-day week, and with others accepting such schedules on particular Carriers, severe competitive disadvantages exist for many Carriers (yard service compensation is becoming an increasingly significant proportion of total payroll costs). The Carriers feel that it is improper to grant the employees the sole option to impose such discriminatory costs upon the various railroads, particularly in an industry historically so standardized in rates and wages. Obviously, the Carriers would never have agreed to grant an option for the 40-hour workweek to the various organizations representing yard operating employees had any substantial conversion rate been contained in the agreement.

Furthermore, in the Carriers' opinion, a large increase in the conversion factor will create inequities between and among the various groups and classes of yard service employees. The conversion rate and rules agreed upon in 1951 and 1952 constituted a compromise and an accommodation between the various groups and organizations, which entertained various desires with respect to a scheduled workweek. Reconciliation of such divergent attitudes toward a 40-hour workweek would never have been possible had any substantial conversion rate been provided. An enlargement of that conversion rate today will initiate a host of inequities between the several classes of yard service employees that will be intolerable to the employees, the Organizations, and the Carriers. The inevitabe result of any future attempt to rectify such inequities will be a series of adjustments that will serve only to reestablish present problems anew, but in a much more aggravated form.

5. *Carriers' "inability to pay."*—The Carriers know from past experience that any favors granted to the yard firemen must necessarily be extended to all classes of yard service employees who work in close association and who jealously protect their long-established differentials. Further, the Carriers reason that any increase granted generally

to the yard group will necessarily be cited as an "inequity" by other groups and classes of employees. Therefore, the present conversion request, if recommended and granted, would begin with an annual cost to the railroads of $18,200,000, would expand to $81,600,000 if extended to all yard operating employees, and would "snowball" into an annual expenditure of $700 million in increased wages to restore peace temporarily to the rails.

The financial situation of the railroads that proves their "inability to pay" the substantially increased labor costs that would eventually result from the acceptance of any recommendation sustaining the unwarranted request for an increase in the conversion factor, is summarized by the Carriers as follows:

(*a*) The railroads have experienced a severe decline in their net earnings;

(*b*) They are experiencing a reduced margin of profit;

(*c*) They have paid only modest dividends;

(*d*) Losses incurred from the passenger services are severe;

(*e*) Increased costs, mainly wage increases, have already siphoned off benefits of economies placed in effect;

(*f*) The financial results thus far in 1955 show improvement over 1954, but are still not adequate;

(*g*) The relative proportion of total transportation handled by railroads is still on the decline;

(*h*) Railroads have not expanded as most other industries;

(*i*) Railroads are not in position to recoup increased costs by increasing freight rates and charges; and

(*j*) Railroads are not paying substandard wages, and are not in a position to meet unwarranted additional operating costs.

D. Findings of the Board—40-Hour Conversion Issue

1. *Merits of the 40-hour workweek.*—It is not necessary for this Board to make any lengthy statement in this year 1955 concerning the merits of an effective 5-day workweek for yard train employees. Other Boards and bodies have done so in many past publications.

The Leiserson Board (No. 66) in 1948 said as follows:

> Forty basic work-hours per week with time and a half for overtime is the prevailing practice in American industry. It has been put into force not only in those industries on which it was imposed by the Fair Labor Standards Act of 1938 but to a steadily enlarging extent in industries excluded from that act. It is constantly being accepted through collective bargaining in retail establishments and in local service industries. To a large degree it is an established working condition in many transportation industries, including airlines, pipelines, local transit, over-the-road buses, and motor trucking.

Communications and public utilities industries have it. It is in effect in innumerable continuous production industries * * *.

This pattern is extremely impressive in itself as a sound basis for including the railroad industry within its scope. The railroads now stand out as a striking exception.

* * * * * * *

It is deemed unnecessary and inappropriate at this late date to inquire into the theoretical advantages or disadvantages of the 40-hour week. It is now firmly a part of our national industrial policy. [Emphasis supplied.]

In 1950 the McDonough Board reiterated this conclusion by saying:

It is not necessary to labor the question as to whether the 40-hour workweek should be introduced for all classes of crafts in the railroad yard train service; the shortened workweek of 40 hours is a widely established pattern in American industry.

The Senate Committee on Labor and Public Welfare, in its report of June 27, 1951, noted:

At the present time, with the exception of a few substandard industries, railroad yardmen are the only large group of American employees who still have a regular workweek in excess of 40 hours a week without penalty overtime.

When the 5-day, 40-hour workweek was introduced into the railroad industry and adopted for almost a million nonoperating employees as a result of the negotiations following the issuance of the report of Emergency Board No. 66, the clarity of expression of that Board made it clear that "the railroad industry" was properly to be included in the "40-hour week * * * now firmly a part of our national industrial policy." As a result of that Board's precedent-setting recommendations, approximately three-quarters of all railroad employees had their workweeks reduced to 40 hours without loss of pay, except for the foregoing of part of the general wage increase that would otherwise have been recommended by that Board. (Exceptions also occurred for small groups reduced from 7-day to 5-day operations.)

2. *Prior Emergency Board recommendations on conversion to 40-hour week.*—Emergency Board No. 81, on June 15, 1950, recommended the extension of the 5-day, 40-hour-week principle to yard operating employees (as of October 1, 1950) but without the full maintenance of earnings as substantially recommended for nonoperating employees by Emergency Board No. 66. Instead, Emergency Board No. 81 recommended that the adoption of the 5-day, 40-hour workweek for yard operating employees be accompanied by a wage increase (in the amount of 18 cents per hour) sufficient to restore the uniformity of wage increases received by these employees as contrasted with the nonoperating employees. (See following table.)

Wage-rate increases, 1937–47, yard operating employees and nonoperating employees [1]

Effective date of increases	Yard operating employees (8 classes)	Nonoperating employees (73 classes)	Cumulative difference favoring nonoperating employees
	Cents	*Cents*	*Cents*
1937–47	58.0	58.4	+0.4
Jan. 1, 1948	[2] 3.5		−3.1
Oct. 1, 1948		7.0	+4.1
Oct. 16, 1948	10.0		−6.1
Sept. 1, 1949		[2] 23.5	+17.4
1937–49	71.5	88.9	+17.4

[1] Computed from Carriers' Exhibit No. 13.
[2] Average.

Emergency Board No. 81 determined not to follow the lead of Emergency Board No. 66, and thus did not recommend wage increases sufficient for the yard operating employees to maintain their weekly earnings upon conversion from a 6-day week to a 5-day week. Certain quotations from the report of that Board are of significance in evaluating just how its expectations have worked out in the 5-year period since its issuance.

On page 41 of its report, that Board said:

> * * * the Board believes that the trend toward shorter weekly hours of work is clear and unmistakable. Most workers now enjoy a standard workweek of 5 days and 40 hours. Within the transportation industry itself, the airlines in 1946, and, more recently, many transit companies have adjusted their operations to a basic 5-day workweek. *The Board is of the opinion that the Nation's railroads should follow suit with the adoption of a 40-hour workweek for yard train service employees.* [Emphasis.]

The recommendation of Emergency Board No. 81 that the 5-day, 40-hour workweek be adopted without the full maintenance of 48-hour pay became the subject of extremely extensive negotiations. Questions of manpower shortages arose, difficulties of scheduling intervened, and almost a year elapsed after its recommendation before the 40-hour week was introduced as a principle into an agreement covering a major yard operating craft. By that time the National Mediation Board, the White House, the Senate Committee on Labor and Public Welfare, the Department of the Army, and the parties themselves all took a hand in trying to reach some basis of understanding by which the Board's recommendation for the adoption of a 40-hour workweek could become effective for yard operating employees. The Board's relatively simple recommendation "grew like Topsy," and as wages generally increased gathered unto itself further suggested wage increases totaling 9 cents per hour, stood aside un-

accepted as the railroads were seized by the Government to control strikes, then threatening our Korea war effort, became a part of three rather complicated settlement formulae that, when finally adopted, became known as Interim Agreement, Agreement B, and Agreement A, was converted from a "compulsory" to a "voluntary" form of work schedule, and had added a 4 cent-per-hour increase if and when the yard operating employees of a particular carrier elected to go on a 40-hour week.

3. *Conversion to 5-day week.*—Finally, on May 23, 1952, the Board's recommendation, expanded but not emasculated, took its place as a part of the agreements entered into by the last of the Organizations representing the yard operating employees. As a result of these settlements, with the employees on the various properties having the option to adopt or reject the 5-day, 40-hour workweek, a dual wage scale has existed for 3 years (since May 23, 1952) that provides an allowance of only 4 cents per hour upon actual conversion to the shorter workweek. Yard service employees have apparently been discouraged from adopting the 40-hour workweek because of the resulting loss in take-home pay. This potential loss has grown greater with the passing of time inasmuch as wage increases subsequent to May 23, 1952, have been added to the basic rates both of the 5-day and the 6-day wage scales.

Numerous exhibits presented by the Organization representatives support the conclusion that a yard service engine employee converting to a 5-day workweek faces a substantial loss in weekly, monthly, and annual earnings. This circumstance was also recognized by the Carriers.

The result of these potential and actual losses is that today only approximately 11 percent of the yard service engine employees have adopted the 40-hour workweek, and yard service engine employees on only 15 rail properties out of some 120 carriers parties to the 5-day agreements have actually converted to a 5-day workweek. Testimony was presented by a Carrier witness to the effect that estimates of 5-day workweeks in yard service during 1954 were as shown below:

Percentage of yard operating employees on 5-day week

Division No.	Class	Percent on 5-day week
107	Switch tenders	47.3
108	Outside hostlers	8.4
109	Inside hostlers	12.2
110	Outside hostler helpers	10.8
119	Yard conductors	44.6
120	Yard brakemen	46.1
124	Yard engineers	.2
128	Yard firemen	11.4
	Total yard service	31.6

While the above-quoted testimony shows slightly less than a majority of the Switchmen, Yard Conductors, and Yard Brakemen on 40-hour weeks, it divulges the fact that only some 10 percent of the yard service engine employees represented by the BLF & E have converted to 5-day weeks.

4. *Reasons for failure to convert to 40-hour weeks.*—This Board must conclude from the above analysis that yard service engine employees simply do not have the 40-hour workweek which Emergency Board No. 81 urged upon the Carriers in support of the employees' 1949 demands for a 40-hour workweek. This Board is of the conviction from all of the evidence deduced before it that a major cause for the paucity of adoption of the 40-hour workweek by all yard operating employees is the severe loss of earnings they face today in attempting to convert to the 40-hour workweek. The substantial downpayment the employees received in advance of conversion and the inadequacy of the total payment for conversion are both elements discouraging conversion.

5. *Need for equitable adjustment for conversion.*—Emergency Board No. 81 undoubtedly expected that the 40-hour workweek would be adopted for yard operating employees when it made its recommendation in support thereof on June 15, 1950. Its expectations have not been realized. The evidence in this case, presented 5 years after the findings and recommendations of Emergency Board No. 81, convinces the present Board that under the present formula the 40-hour workweek will not be adopted by a large proportion of those yard operating employees who have not yet adopted it because of the losses in take-home pay. The railroad industry is faced with a dilemma of a large number of its yard operating employees working under a dual wage scale, one for 5-day operation and one for 6- and 7-day operation. This issue of dual wage scales cannot be settled by urging comparability of hourly across-the-board wage increases between this group of yard operating employees and the nonoperating employees. This problem is a significant one that has plagued the railroad industry for 6 years, and must be settled equitably if the industry hopes to revert to reasonably sound and harmonious labor relations. The Senate Committee on Labor and Public Welfare, in its findings on the 1949–51 dispute on the railroads, made this significant comment:

> Probably the demand of the Brotherhoods which has produced most disagreement is the demand for a 40-hour week with 48 hours' pay for yardmen * * *. Commencing with the labor agreements developed under the N. I. R. A. and continuing to the present, one industry after another has reduced the working week to 40 hours while maintaining and even increasing weekly rates.
>
> The railroad industry was a striking exception to this rule until 1949 when, in accordance with the Leiserson Emergency Board report * * * the nonoperating employees, constituting the large majority of railroad employees, were awarded a 40-hour week with 48 hours' pay * * *. At the present time, with the excep-

tion of a few substandard industries, railroad yardmen are the only large group of American employees who still have a regular workweek in excess of 40 hours a week without penalty overtime. The hearings certainly revealed that railroad yardmen believe they are the victims of unjust discrimination. *The committee believes that this differential will continue to threaten peace on the rails until some equitable adjustment has been made.* [Emphasis added.]

This Emergency Board is convinced that an equitable adjustment of this issue was not accomplished by the May 23, 1952, agreements entered into while the railroads were under seizure by the Government. When the Senate Labor Committee made the finding that is expressed above, it had the same formula for conversion to a 40-hour week before it that all of the operating organizations had rejected late in 1950. Yet that very formula eventually had to be accepted by the majority of the operating brotherhoods (on May 23, 1952) after 3 years of waiting for a wage adjustment that was broken only by the issuance of a wage increase under General Order No. 2 of the Department of the Army then in control of the railroads.

6. *Equitable adjustment, percentage increase, or flat wage increase?*—When Emergency Board No. 81 decided to recommend restoration of the "cents-per-hour" relationship existing prior to 1948 between the yard operating employees and the nonoperating employees, it adopted a principle that might have worked out if there had not been a long delay between the time it propounded it and the time it became effective. But time has not permitted that principle to succeed, and today it is getting more and more difficult of accomplishment as each across-the-board wage increase is added on to the wage rates of the yard operating employees who are still on a 6-day workweek with basic daily wage rates just 32 cents less than the employees on a 5-day workweek.

Basic wage rates of the 8 classes of yard operating employees and 73 classes of nonoperating employees have always varied as to amount. On the other hand, uniform wage increases were made from 1937 to 1948 for all 81 classes in flat cents per hour and never on any basis of a percentage of the basic wage rate. But an external influence entered the picture when the Leiserson Board (No. 66) determined to recommend conversion of nonoperating employees work weeks from 48 hours to 40 hours without loss of pay. At that point the Leiserson Board made no attempt to establish a flat cents-per-hour increase to be applied to practically every nonoperating classification. Had it done so, and had it determined to establish the flat rate increase on the basis of the average rate for the nonoperating classifications (using the 20-percent conversion formula that it did), the end result would have been that the lower paid classification would have experienced a substantial wage increase upon conversion (their earnings for 40 hours would have been substantially more than for 48 hours),

while the employees in the higher paid classifications would have experienced a substantial wage reduction upon conversion. The Leiserson Board guarded against such a result by applying a flat 20-percent wage adjustment against each and every classification wage rate.

The wage adjustment recommended by the Leiserson Board for the conversion of nonoperating employees to the 40-hour week was not a cents-per-hour wage increase of the nature that had been adopted uniformly between yard operating, nonoperating, and road operating employees from 1937 to 1948. The adoption of that recommendation by the parties did not establish a cents-per-hour wage increase for nonoperating employees that had to be matched by a uniform cents-per-hour wage increase for yard operating employees.

Still another indication of the possible misconception of the parties as to the nature of the 1949 conversion wage adjustment for nonoperating employees can be pointed out by noting what might have happened had the sequence of the conversion of the nonoperating and the yard operating employees to a 40-hour week been reversed. Assume that the yard operating employees had preceded the nonoperating employees in their request for a 40-hour workweek, and also assume the Leiserson Board had heard that case and had determined to apply the same 20-percent conversion yardstick as it did to the nonoperating employees. If the average hourly wage rate for the yard operating employees during 1949 is used as a base ($1.55 per hour), the average conversion wage adjustment that would have resulted would have been 31 cents per hour. Carrying out the theory of uniformity of wage-rate increases, it would have been necessary to apply this wage adjustment as a flat across-the-board wage increase for all nonoperating employees upon their subsequent conversion to a 40-hour week. Such a procedure would have resulted in a substantial wage increase for most nonoperating classifications upon conversion to a 40-hour workweek, a concept certainly not envisioned in any attempt to "make whole" the wages of employees converting from a 48-hour to a 40-hour workweek. If the theory of uniformity of wage increases between nonoperating and yard operating employees was a sound one, under these circumstances it would have had to work out regardless of which group first converted to a 40-hour workweek. But it is clear that the sequence of the conversion would have led to a wage increase for the group that was the follower in the one case of conversion, while in the other a wage decrease would have resulted for the follower in the conversion.

The only solution which the Board has found for this dilemma is the conclusion that the proposed conversion from a 48-hour week to a 40-hour workweek required 20 percent upward wage adjustments

(not flat, uniform cents-per-hour wage increases). Such "wage adjustments" could not properly be interpreted as wage increases that must be calculated on a flat cents-per-hour basis. After such upward "wage adjustments" to reestablish the 40-hour earnings of each classification at the same level as they were before the reduction from a 48-hour workweek, the subsequent flat cents-per-hour wage increases might once more be applied on a uniform basis for all classifications.

The principles noted above were those followed by the Leiserson Board in instituting the 20-percent upward wage adjustments for each of the 73 classes of nonoperating employees to permit a maintenance of 48-hour earnings on a 40-hour workweek in 1949. The 7-cent-per-hour wage increase that Board recommended to be effective as of October 1, 1948, was a cents-per-hour wage increase to be uniform for all nonoperating employees, but was apparently 3 cents per hour less than it would have been had the conversion to a 40-hour workweek not been involved.

But the procedure which the parties followed in 1949, in accordance with that Board's recommendation, to permit the maintenance of 48-hour earnings for a 40-hour week for each separate nonoperating classification, was to make an upward wage adjustment for each separate classification in the amount of 20 percent of the basic rate existing before the 7-cent-per-hour flat wage increase was instituted. That Board did not imply that the upward wage adjustment required by the 20-percent conversion factor equaled an average figure of 23.5 cents per hour that became an across-the-board wage increase to which other groups of employees could lay claim.

This analysis is the basis for this Board's conclusion that an equitable upward wage adjustment to compensate employees for the reduction of their workweeks, to permit whatever proportion of maintenance of earnings is desired, should be on a percentage basis applied to the basic wage rate of each rate of each job classification. It is only in this way that employees converting to a shorter workweek can receive equitable treatment in relation to each other. The resulting upward "wage adjustment" is not a flat cents-per-hour wage increase that can be calculated and applied to other employees in any form of uniform wage-increase pattern.

7. *Determination of conversion inequity.*—When the Carriers and the Organizations representing the yard operating employees negotiated wage adjustments to facilitate conversion of those employees from 48-hour to 40-hour weeks (1951–52), they made varying comparisons of flat across-the-board wage increases mixed in with wage adjustments for conversion to the 40-hour workweek. The resulting wage increases, combined for simplicity of understanding, are shown in the table on the following page:

Postdepression increases in the hourly rates of railroad employees [1]

Effective date of increase	Yard operating employees (8 classes)	Non-operating employees (73 classes)	Road operating employees (14 classes)
	Cents	*Cents*	*Cents*
1937–47	58.0	58.4	58.0
Jan. 1948	[2] 3.5		
Oct. 1948	10.0	7.0	10.0
Sept. 1949		[2] 23.5	
Oct. 1950	{*18.0 5.0	}	*5.0
Jan. 1951	*2.0		*5.0
Feb. 1951		*12.5	
Mar. 1951	*2.0		*2.5
With 5-day week	[4] 4.0		
Apr. 1951 to Oct. 1953 net cost-of-living changes	13.0	13.0	13.0
Dec. 1952	4.0	4.0	4.0
Dec. 1953	5.0	[5]	5.0
1937–53	120.5	118.4	102.5

[1] Calculated from Carriers' Exh. 9, p. 2.
[2] Average of job differential increases, not across the board.
[3] Average of upward wage adjustments granted on conversion to 40-hour week; not across-the-board increases.
[4] Payable only on conversion to 40-hour week; not an across-the-board increase.
[5] No demand for wage increase but substantial increase in fringe benefits obtained.
*See following text for explanation of asterisks.

The uniformity of hourly wage increases between the several groups of railroad employees from 1937 to 1947, previously referred to, is noted at the top of the above table. The January 1948 adjustment shown in the table for yard operating employees was not an across-the-board increase but was the average increase resulting from the establishment of through freight service rates in yard service (a slight variation occurred as respects Firemen's rates on the lighter locomotives). But from October 1948 to March 1951, disturbances in the uniform wage-increase pattern occurred because of the introduction of the 40-hour workweek for some yard operating and most nonoperating employees.

It is difficult to ascertain the exact amount of this "disturbance," especially in view of the fact that the October 1, 1948, general wage increase for nonoperating employees was in the amount of 7 cents per hour (granted in anticipation of the establishment of the 40-hour workweek in September 1949), while that granted all operating employees was 10 cents per hour (no request had then been made for a 40-hour workweek for yard operating employees). The detection of the extent of this "disturbance" is aided by isolating the upward wage adjustments granted the three groups of employees after the 40-hour workweek had been established for nonoperating employees and before the shorter workweek became effective for any yard operating employees. Of course, part of the upward wage adjustments granted to yard operating employees in this period was in anticipation of, and to facilitate conversion to, a 40-hour workweek. These several wage adjustments have been marked with an asterisk in the above table.

It will be noted that the upward wage adjustments granted the yard operating employees from October 1950 to March 1951 totaled 27 cents per hour. (While a major part of this was not paid until in 1951 or in the middle of 1952 for most yard operating employees and was made retroactive to the dates shown, 12.5 cents per hour was paid beginning in February 1951 and retroactive to October 1, 1950, as a result of General Order No. 2 of the U. S. Department of the Army then operating the railroads under seizure.) It will likewise be noted that in this same period the nonoperating employees and the road operating employees received general wage increases in the amount of 12.5 cents per hour.

On the basis of this analysis, it might be concluded that the difference between the 27.0 cents and 12.5 cents per hour granted in this period, or 14.5 cents per hour, was actually an upward "wage adjustment" granted on a flat basis to facilitate the conversion of yard operating employees to a 40-hour week. Thus, it might be argued that the 18.0 cents per hour "wage increase" ostensibly granted to the yard operating employees as of October 1, 1950, was actually divided into two parts; 3.5 cents as a regular wage increase to match those granted to the other two groups of employees ($3\frac{1}{2}+5+2+3=13\frac{1}{2}$ cents) and 14.5 cents per hour as a "wage adjustment" that took the form of a "downpayment" upon conversion of these employees to a 40-hour week. This 14.5 cents per hour has been paid to all yard operating employees whether they have been on 5-day, 6-day, or 7-day weeks, but its reason for existence has been as a payment to offset part of the impact of lost wages in the conversion from a 48-hour to a 40-hour workweek.

The existence of the 14½ cents per hour as a prepayment for conversion of yard service engine employees to a 40-hour workweek can also be supported by a comparison of the present rates of yard engineers and firemen with those of the road engineers and firemen (through freight service) as contrasted with those which existed in 1950.[1]

Therein it is noted that as of January 1, 1948, for comparable weights of locomotives the basic daily rates for engineers on the two types of service were exactly the same. The basic daily rates for the engineers in yard service today are $1.16 per day, or 14½ cents per hour, higher than in through freight service. The basic daily rate comparison for firemen (with allowance for removal of the differentials for types of locomotives as of October 1, 1950) divulges the same conclusion; namely, that while firemen's rates for the two types of service were the same as of January 1, 1948, they are today $1.16 per day, or 14½ cents per hour, higher for firemen in yard service than in through freight service. In the opinion of the Board, this differen-

[1] Carrier's Exh. 37, pp. 17–19, 35–37.

tial constitutes a prepayment for conversion granted as of October 1, 1950, to engineers and firemen in yard service.

In the preceding table it may also be noted that a 4-cent-per-hour increase is provided for conversion to a 40-hour workweek by yard operating employees. This figure, added to the 14½ cents per hour previously noted, yields a total of 18½ cents per hour with which the yard operating employees were provided upon conversion to a 40-hour workweek. This is a flat sum available to every yard operating employee who has converted regardless of his basic daily rate.

Other considerations could be urged, however, on the basis of the analysis and conclusions my Emergency Board No. 66 that nonoperating employees were entitled to some 3 cents per hour less in general wage increases in 1948 than if the conversion to a 40-hour workweek had not been involved.

An argument might be advanced growing out of the language of Emergency Board No. 66 that on conversion, the yard operating employees are not entitled to the full general wage adjustments received by the road operating employees in addition to the full conversion percentage received by the nonoperating employees. If a difference is justified, it might be considered as the 3 cents per hour referred to above. The acceptance of such a conclusion would not necessarily be reflected in a modification of conclusions as to the size of the downpayment, but contingent on the line of analysis selected, could be reflected in the size of the present adjustment required to achieve, on conversion, parity with the nonoperating employees.

There also arises the question of the base to which the 20-percent conversion factor should have been applied to achieve equity of treatment with the nonoperating employees and the base to which it should now be applied in computing the amount of the present conversion inequity.

Without going overboard in its recognition of the general principle of equal wage treatment for the various groups of railway employees, the Board feels that under present circumstances and in combination with its other conclusions, the most appropriate decision is to use the base year 1948, prior to the 10-cent wage adjustment in October 1948.

This is the same base used in connection with the conversion of the nonoperating employees to the 40-hour, 5-day week. It is recognized that complete conversion for the yard service engine employees has been long delayed and that in the meantime the few who have converted have not received the same treatment afforded the nonoperating employees. Those who have not converted have received a substantial downpayment toward conversion but have not achieved the 5-day week. The Board has not found any adequate basis on which to place a cents-per-hour value on these circumstances. Arguments can be advanced in support of later dates for use as the base, but the con-

cept of achieving now substantial equality of treatment with the nonoperating employees would seem to call for computation on the same base period unless additional complicating factors are to be introduced.

8. *Method of correction of conversion inequities.*—For the reasons previously set forth, the Board is convinced that the inequities in the plan for conversion of the yard service engine employees as compared with the nonoperating employees can best be removed by recognizing the conversion factor of 20 percent applied to basic daily rates immediately prior to October of 1948, and by crediting the downpayment toward conversion of 14½ cents per hour.

Under the line of analysis followed in computing the amount of the downpayment, general wage increases for yard service engine employees received during the period October 1, 1950, to March 1, 1951, equaled those received by the nonoperating employees (3½+5+2+2=12½ cents). Consequently, the conclusions of the Board indicated above would place the yard service engine employees in the same relative position as the nonoperating employees insofar as the conversion factor is concerned, and in a better position by the amount of 3 cents per hour insofar as general wage increases are concerned. If, contrary to the conclusions of the Board, the wage adjustment of January 1, 1948, averaging 3½ cents per hour, or the 5 cents per hour of December 1953, were credited in the comparison, the advantage would be larger.

In computing the proposed new conversion adjustment to be made applicable at this time, the Board has not concluded that it is justified in making a further substraction from the 20-percent conversion factor for the 3 cents per hour in general wage adjustment referred to above. The Board considers that although almost precise equality of treatment on general wage increases among classes of railroad employees has been common, there are substantial variations in the time at which such equality is achieved. If the 3 cents per hour general wage advantage of the yard operating employees under the above analysis is retained, it will cushion in some degree the reduction in earnings on conversion to a 40-hour week.

The wage schedule in effect as of Septemebr 1948, the base involved in the original request by the Organization for a 20-percent conversion factor, is the one which the Board has accepted in the computation of the 20-percent conversion factor. From the amount of such conversion factor for each individual rate and classification, it is proper that a credit of 14½ cents per hour ($1.16 per day) be taken inasmuch as the Carriers have paid this sum to all yard operating employees since October 1, 1950, in the nature of a prepayment for conversion and this amount is in the present yard service engine employees' wage-rate schedules. The difference between the conversion factor and 14½

cents per hour represents the amount which should be substituted for the existing 4 cents per hour now provided in the wage scale for conversion to a 40-hour workweek. The new conversion adjustment thus determined is set forth below.

20-percent conversion factor applied to basic daily rates in effect September 1948

YARD ENGINEERS AND MOTORMEN

Weight on drivers (pounds)	Basic daily rate [1]	20-percent conversion	Conversion adjustment (after credit of 14½ cents per hour or $1.16 per 8-hour day)[2]
Less than 140,000	$12.17	$2.434	$1.27
140,000 to 200,000	$12.60	2.520	1.36
200,000 to 250,000	$12.77	2.554	1.39
250,000 to 300,000	$12.92	2.584	1.42
300,000 to 350,000	$13.07	2.614	1.45
350,000 to 400,000	$13.28	2.656	1.50
400,000 to 450,000	$13.49	2.698	1.54
450,000 to 500,000	$13.70	2.740	1.58
500,000 to 550,000	$13.91	2.782	1.62
550,000 to 600,000	$14.09	2.818	1.66
600,000 to 650,000	$14.27	2.854	1.69
650,000 to 700,000	$14.45	2.890	1.73
700,000 to 750,000	$14.63	2.926	1.77
750,000 to 800,000	$14.81	2.962	1.80
800,000 to 850,000	$14.99	2.998	1.84
850,000 to 900,000	$15.17	3.034	1.87
900,000 to 950,000	$15.35	3.070	1.91
950,000 to 1,000,000	$15.53	3.106	1.95
	With 18 cents added for each additional 50,000 pounds or fraction thereof.		

[1] Basic daily rates in effect Sept. 1, 1948.
[2] Figures in this column to be substituted for 32 cents per day presently payable upon conversion to a 40-hour, 5-day week.

20-percent conversion factor applied to basic daily rates in effect September 1948

YARD FIREMEN AND HELPERS—STEAM AND DIESEL-ELECTRIC LOCOMOTIVES

Weight on drivers (pounds)	Basic daily rate [1]	20-percent conversion	Conversion adjustment (after credit of 14½ cents per hour or $1.16 per 8-hour day)[2]
Less than 140,000	$10.49	$2.098	$0.94
140,000 to 200,000	$10.62	2.124	.96
200,000 to 250,000	$10.79	2.158	1.00
250,000 to 300,000	$10.96	2.192	1.03
300,000 to 350,000	$11.23	2.246	1.09
350,000 to 400,000	$11.31	2.262	1.10
400,000 to 450,000	$11.47	2.294	1.13
450,000 to 500,000	$11.63	2.326	1.17
500,000 to 550,000	$11.79	2.358	1.20
550,000 to 600,000	$11.95	2.390	1.23
600,000 to 650,000	$12.11	2.422	1.26
650,000 to 700,000	$12.27	2.454	1.29
700,000 to 750,000	$12.43	2.486	1.33
750,000 to 800,000	$12.59	2.518	1.36
800,000 to 850,000	$12.75	2.550	1.39
850,000 to 900,000	$12.91	2.582	1.42
900,000 to 950,000	$13.07	2.614	1.46
950,000 to 1,000,000	$13.23	2.646	1.49
	With 16 cents added for each additional 50,000 pounds or fraction thereof.		
Outside hostlers	$11.17	2.234	1.07
Inside hostlers	$10.49	2.098	.94
Outside hostler helpers	$9.88	1.976	.82

[1] Basic daily rates in effect September 1948.
[2] Figures in this column to be substituted for 32 cents per day presently payable upon conversion to a 40-hour, 5-day week.

The final column on the right-hand side of each of the above tables represents the new conversion adjustment expressed in the form of additions to the daily basic rate for each separate grouping in each job classification or craft. This figure is intended to be substituted for the existing conversion factor of 4 cents per hour, or 32 cents per day, as recorded in Agreement A covering yard service engine employees subject to the proceedings before this Board.

The conversion adjustments recommended by the Board in this case will not provide for the maintenance of 48 hours of pay at present for 40 hours of work for employees who convert to such method of operation. This is so, of course, because of the fact that the conversion factor is applied to the basic daily rates existing in 1948 and thus intervening wage adjustments are not included in the base, and because the employees have had a 14½-cent-per-hour prepayment on this conversion substantially since October 1, 1950.

The concept of equality of treatment for the yard operating employees compared with the nonoperating employees would be dealt a serious blow if this Board should disregard the 14½-cent-per-hour prepayment on the conversion or should relate to 20-percent conversion factor to existing wage rates.

The Board also wishes to emphasize its conclusion that the parties will never solve the problems of conversion to a 40-hour workweek if two wage scales exist side by side, the one covering a straight 5-day method of operation and the other covering 6- and 7-day operations but including a 14½-cent-per-hour wage adjustment which is clearly applicable toward conversion.

In its appraisal of wage developments in the railroad industry during the past 7 years and in reaching its computations and conclusions, the Board has not sought to rewrite history but to understand it. It has no illusion that it can unravel with certainty and in complete equity and in a very limited time the complex with which it has been faced. It believes the above conclusions and the recommendations which are based on them are as equitable as can be reached in comparing the conversion of yard service engine employees with the conversion of the nonoperating employees.

9. *Conditions under which increased conversion adjustment should be made available.*—The Board has considered carefully the question of the conditions under which the proposed increased conversion adjustment should be made effective. The Board does not want to make a recommendation which would compound the complications which have resulted from certain features of the May 23, 1952, agreements.

Under the agreements in question, conversion was made possible, was postponed, was made optional, and a substantial downpayment toward conversion, calculated by the Board as 14½ cents per hour,

was provided for all employees whether or not they converted. An additional 4 cents per hour was to be paid after actual conversion.

Under the circumstances, nothing like complete conversion was achieved or was to be expected. Nothing like complete conversion was to have been expected even if the downpayment, plus the 4 cents per hour, had been sufficient to provide 6 days' pay for 5 days' work. The 40-hour workweek would not have been generally achieved in most of American industry under any plan providing a substantial downpayment and thus reducing the adjustment to be received on actual but optional conversion.

The Board feels that the employees are entitled to a 5-day workweek if they want it, and has indicated the most equitable basis for determining the additional increase in wage rates under the complex and disputed circumstances and conditions that have existed and presently exist.

But it is clear that if the proposed increase in wage rates on conversion were made available on an optional basis and were accepted only by limited groups of the membership of the Organization, a dual wage system would exist with much wider differences in wages than under the present dual system with a 4-cent-per-hour differential.

Employee groups, choosing for reasons of their own to remain on a flexible 6- or 7-day basis, would undoubtedly urge that their services for the first 5 days in any week as well as for the sixth or seventh day at work are as valuable as those of members of the same craft or of other crafts on a 5-day week. Forces would be set in motion in the direction of eliminating the "discrepancy," and the results might well be a higher level of wages but without the 5-day week which would be indefinitely postponed for the craft concerned. If a higher level of wages is the real issue in the present controversy, the Board feels that the issue should be handled as such and not in the guise of the 5-day week.

The Board recognizes that even with total conversion of the employees represented by the Organization or with complete conversion of only some of the crafts represented by the Organization, complicated relationships would be encountered with drafts whose members may not want or may not accept conversion. The Board considers that this problem will have to be met when and if it arises but that the Board's inability to formulate a recommendation which forecloses such a problem is not a basis for withholding the recommendation which it feels on the merits should be available for conversion by members of the various crafts represented by the Organization.

In its recommendations concerning conversion by all members of one or more crafts,[2] the Board does not attempt to define "crafts" but

[2] Board Member Dash is not in disagreement with the major principles of this section of the report (III D–9), but is of the opinion that the optional nature of the conversion factor is not a part of the dispute between the parties and, therefore, should not quality the Board's recommendations on the dispute as submitted.

has in mind each of the five groups frequently referred to as firemen, engineers, inside hostlers, outside hostlers, and hostler helpers.

The Board will recommend that the parties proceed through the processes of collective bargaining to agree on the details necessary to replace the present 4-cent-per-hour conversion factor with a new conversion adjustment in accord with the following:

(*a*) New conversion adjustment to be determined by first applying 20 percent to the basic daily rates in September 1948, dividing the result by 8 and then deducting 14½ cents per hour.

(*b*) New conversion adjustment to be effective only for the crafts for the members of which the Organization accepts complete conversion.

(*c*) New conversion adjustment, for the crafts accepting conversion, to also be applicable to those members of the craft who have already converted.

IV. ORGANIZATION'S PROPOSAL B

A. General Statement

Proposal B, as served upon the Carriers by the Organization on July 1, 1954, varied somewhat depending on the type of agreement already in existence. In its comprehensive form, which the Board feels is appropriate for use here, it reads as follows (see also App. D–1):

(B) The earnings from mileage, overtime, or other rules applicable for each day service is performed in all passenger and freight service, shall be not less than twenty dollars ($20) for engineers and eighteen dollars ($18) for firemen, and for helpers on other than steam power.

In a letter addressed to the Chairmen of the Carriers' Conference Committees, dated January 25, 1955, the Organization provided the following explanation of Proposal B (see also App. D–2):

In applying the $20 minimum for engineers and the $18 minimum for firemen, it is intended that such minima shall be applicable to each basic day (trip) on which service is performed so as to bring the employee's earnings for a week, commencing Monday, up to an amount equal to the number of basic days on which service is performed multiplied by the minimum applicable, but not to exceed $120 for engineers or $108 for firemen in any given week.

In cases where the earnings for an engineer exceeds $120 for the week, commencing Monday, or the earnings for a fireman exceeds $108, the minima would not be applicable.

In cases where the earnings of an engineer are less than $120 or the earnings of a fireman are less than $108 for a week commencing Monday, the minima shall be applied to each basic day (trip) on which service was performed, and on which less than the minimum was earned, so as to bring the earnings for the week up to an amount equal to $20 multiplied by the number of basic days.

on which service is performed in the week for an engineer and to $18 multiplied by the number of basic days on which service is performed in the week for a fireman.

During the progress of such discussions as took place between the parties prior to the hearings before this Board and during the hearings, substantial clarification was achieved as to the objectives sought through the proposal, and many of the questions asked by the Carriers concerning specific impacts of the proposal were answered.

Proposal B would guarantee minimum earnings for engineers and firemen engaged in road service. Such minimum earnings would be computed on a basis to insure under certain circumstances a given level of earnings for a week, and under other circumstances a given level of average earnings per day or trip for the number of days or trips worked during the week. The minimum earnings of an average of $20 per day for engineers and $18 per day for firemen under certain circumstances and of $120 per week for engineers and $108 per week for firemen under other conditions would apply in both passenger and freight service. The levels proposed are substantially above the present daily earnings minimum in passenger service and substantially above the present basic daily rates.

As the Board understands the proposal, substantially all earnings would be taken into account in determining whether any additional payment would be required above the wages paid on the basis of the applications of present basic rates and rules.

1. *Position of the employees concerning Proposal B.*—The Organization emphasized that Proposal B was designed to increase the earnings of engineers and firemen who, because of the nature of their assignments, earned only the basic daily rate without earnings from mileage or overtime. Such employees are generally found in (1) short local freight service; (2) roustabout service; (3) mine run service; (4) helper and similar freight service; and (5) turnaround passenger service assignments with short runs usually less than 100 miles per day and on which small engines are used.

The Organization insists the proposal does not constitute a new concept or innovation in the railroad field and cites what it feels to be various precedents, including the daily earnings minimum for engineers and firemen in passenger service. Proposal B is required to assure a reasonable and decent standard of living for employees caught in certain types of situations. In the absence of the proposed minimum, firemen in through freight service will receive as low as $13.83 a day and an engineer as low as $15.73.

The Organization insists that the proposed minima are reasonable in comparison with average daily earnings and rates of pay of skilled workers in outside industry and in comparison with the average earn-

ings of firemen and engineers in road service. In support of these contentions, wage levels in outside industry and the average earnings of firemen and engineers in road service were cited.

Proposal B will affect only a small percentage of road service firemen and engineers, and its cost will, therefore, not be excessive. Evidence obtained through questionnaires and various computations was submitted suggesting that most road service employees concerned are earning more than the levels sought, and that the proposal would result in additional payments to only a small portion of road firemen and engineers.

2. *Position of the Carriers concerning Proposal B.*—The Carriers insist that the proposal is without merit and would not operate in the way the Organization claims it would; that road engineers and firemen are adequately if not excessively compensated for what they do, and they point to what they feel is historical precedent for the conclusion that inequities created by the adoption of such a rule would lead to demands for an endless chain of further adjustments.

The concept that Proposal B is an accepted one is denied by the Carriers, who say that where such concepts have been tried they have failed and have been a source of dissatisfaction for the employees themselves. They point out that the passenger service minimum is only slightly above the basic rate, and because of this and other considerations is not comparable with the proposed minimum or guarantee which is substantially in excess of basic rates. Present wages for road firemen and engineers are adequate, and if there are circumstances where earnings are inadequate, it is due to limitations for which the employees themselves are responsible.

The validity of the Organization's comparisons with earnings in outside industry is denied by the Carriers. The Organization has come to an unjustified conclusion on the basis of the questionnaires and the comparisons with average earnings of engineers and firemen.

The combination of the type of rule proposed, together with employment conditions and variations in earnings from day to day and week to week, would mean that the benefits of Proposal B would not be limited to employees with relatively low annual earnings. A large proportion of empoyees with high annual earnings would benefit from the proposed rule during parts of the year, and the effect of the minimum would be to discourage work after the minimum for the week is reached. Prevailing wage relationships would be disrupted. The immediate cost of the proposal would be far in excess of the estimates of the Organization, and the whole wage rate structure would be jeopardized.

3. *Findings by the Board concerning Proposal B.*—The Board concludes that Proposal B is a complicate one with innumerable ramifica-

tions for the already complex railroad wage-rate structure, although it recognizes that in the discussions to date substantial progress has been made toward clarification of the objectives and probable impacts of the type of rule desired by the Organization.

The Board is not convinced that the parties could not develop a workable rule to achieve certain of the objectives desired by the employees; but it is convinced that Proposal B, even as modified and clarified, has impacts going far beyond the major objectives cited by the Organization. The Board is sympathetic with the effort to aid such employees as are at a severe earnings disadvantage through no fault of their own, and is convinced that at least some employees are in this position.

The Board believes, however, that Proposal B in anything like its present form would be disruptive to the railroad wage-rate structure in that it might well disrupt established relationships in such a way as to work to the disadvantages of the Carriers and the employees.

Out of the discussions before it concerning Proposal B, the Board has not visualized any appropriate means to achieve the desired end without at the same time creating disruption in the wage rate structure. It expresses the hope, however, that those concerned with the problem and acquainted with the technical complications involved will ultimately be able to develop a solution that will correct any hardships that exist.

The Board will recommend that the Organization withdraw Proposal B.

V. CARRIERS' PROPOSALS FOR CHANGES IN RULES

A. General Statement

On or about July 1, 1954, a majority of the Carriers notified the General Grievance Committee of the Organization of their desire to eliminate or modify the rules pertaining to nine enumerated items contained in the existing contracts. Four of these demands were subsequently withdrawn, leaving five to be considered by this board, two of which may be treated as one. These requests embrace the subject matters of (1) the abolition of yard crew assignments; (2) revision of procedures for handling interchange cars; (3) the elimination of engine employees on self-propelled machines; and (4) the elimination of hostlers and yard service employees in the handling of light engines in yards. The text of the Carriers' original demands has already been stated in the introductory portion of this report.

Thereafter, on or about November 15, the Organization's several general chairmen addressed letters to their respective Carriers stating

that the Carriers' demands did not point out the specific provisions of the existing agreements that they proposed to change; that the proposals did not contain any new language that the Carriers desired to have incorporated in the agreements, and that for these reasons the demands of the Carriers were not sufficiently definite to meet the requirements of the Railway Labor Act. The letters concluded with requests that the Carriers supply more specific statements of the changes desired in the existing agreements.

No response was made to these letters, and on March 9, 1955, communications of similar import were addressed to the Carriers' Conference Committees by the president of the Organization. The Organization says that the first and only response to the last-mentioned letters came on the first day of the hearing before this Board when the Carriers submitted their Exhibit 1 containing the specific rule changes which they desire.

The evidence is conflicting and inconclusive as to whether the representatives of the Organization were fully advised in the conferences between the parties as to the details of the specific rule changes that were embraced in the Carriers' initial demands; and on this state of the record we are called upon to say whether, on the basis of the facts summarized above, the Carriers' requests have been sufficiently progressed in accordance with the Railway Labor Act as to authorize or justify this Board in considering the merits of the demands.

B. Are Carriers' Proposals in Compliance With the Requirements of the Railway Labor Act?

Section II, Seventh, of the Railway Labor Act, as amended, provides that "No carrier, its officers, or agents shall change the rates of pay, rules or working conditions of its employees as a class as embodied in agreements except in the manner prescribed in such agreement or in section VI of this act."

Section VI says that "Carriers and representatives of the employees shall give at least 30 days' written notice of an intended change in agreements affecting rates of pay, rules or working conditions * * *." We find no other provisions in the Railway Labor Act bearing upon the proposition here relied on by the Organization nor have any precedents or authorities relating to that subject been called to our attention.

Beyond the statutory requirements that a demand for a change in an agreement must be in writing and that notice thereof shall be given at least 30 days in advance of the conference held to consider the same (unless, of course, these requirements are waived), the act is entirely silent as to the required content of such a notice. Under such circumstances we must conclude that a notice is sufficient in

form when it is in writing and when it may be said that it is reasonably calculated to advise the parties to whom it is directed of the subject to which it relates. Measured by this test, which we think is the proper one, we must conclude that the notices here under consideration were sufficient. Our conclusion in this regard is fortified by the factual circumstances of the case. We are not here dealing with one agreement, but with many, perhaps well over a hundred, and it may be assumed that uniformity does not prevail among these agreements with respect to such matters as chapter, article, or section designations. The designating of the specific parts of the many agreements upon which the proposed changes would operate could hardly be deemed necessary.

We think that the Carriers' notices of desired changes were sufficient to enable any interested person to identify the parts sought to be changed and the substance of the changes sought. It might be added in passing that the Organization's Proposals A and B hereinbefore considered are hardly more definite and specific than were the Carriers'. Both were amplified by the respective sponsoring parties in their presentations before this Board.

C. Ought Recommendations for the Adoption of the Carriers' Proposals for Changes in Rules Be Refused Because of the Board's Lack of Jurisdiction Over All of the Crafts or Organizations Involved?

In the concluding paragraph of that part of the Carriers' brief devoted to its proposed changes in rules, it is stated: "The beneficial effect of 2 of the 4 rules would be felt the day they were placed in the firemen's schedules. The fact that practical application of the other two would have to await similar agreements with other crafts is immaterial." From an examination of the proposed rules, we conclude that those which the Carriers believe would not be immediately effective, if adopted, are those pertaining to the abolition of yard-crew assignments and the handling of interchange cars. This assumption is based on the fact that crews filling yard assignments and those engaged in the interchange of cars include members of crafts represented by other organizations than the one here before us.

In a somewhat limited sense the same would be true if hostlers and yard service employees were eliminated in the handling of light engines in yards. While the proposed rule dealing with this subject is limited in terms to engine crews represented by the Brotherhood of Locomotive Firemen and Enginemen, it would not, as such, be binding on engine crews represented by the Brotherhood of Locomotive Engineers. Under such circumstances, hostlers might be required in the handling of some engines and not others.

The Carriers have said that engine crews perform no useful function in the operation of the self-propelled equipment described in their proposed rule relating to that subject but that on the contrary they are an impediment. It must be remembered, however, that the operation of these machines is the primary responsibility of the maintenance-of-way employees, and that their organization is not before us and has not been heard. In our judgment, it would be unsafe to assume, on the basis of the carriers' ex parte showing, persuasive as it is, that in all instances maintenance-of-way employees will acquiesce in the application of this proposed rule if it is accepted by this Organization. If they do not, they may assert that they are entitled to additional pay for performing engine-crew work.

We make these observations because we do not believe that either of the rules requested by the carriers would, if recommended and accepted, accomplish the results claimed for them in the absence of the negotiation of comparable rules with other organizations. This leads to an inquiry as to whether this Board should undertake to consider the recommending of rules which could not or may not be made effective unless and until comparable rules are negotiated with other organizations.

On this subject, the reports of Emergency Boards Nos. 33 and 57 have been called to our attention, and while we are not required to regard them as binding precedents in the judicial sense, they are entitled to weight. Boards Nos. 33 and 57 had under consideration, among many other things, carrier proposals for dispensing with engine service employees on self-propelled roadway and shop equipment machines, and both Boards declined to recommend the adoption of the rules because they involved jurisdictional controversies with craft organizations that were not parties to the proceedings. It is true, as was pointed out by counsel for the Carriers, that the rules considered by Boards Nos. 33 and 57 are distinguishable from the proposed rule relating to the same subject matter which is before us. The rules considered by Boards Nos. 33 and 57 provided, in terms, that Engineers, Firemen, Conductors, Trainmen, and Yardmasters should have no claims to man the self-propelled equipment, although the only organizations before Board No. 33 were the BLE and the BRT, and only the BLE, the BLF & E, and SUNA were before Board No. 57—neither the conductors' or yardmasters' Organizations being represented in either case.

In contrast to the situations disclosed in the reports of Boards Nos. 33 and 57, the rules proposed by the Carriers in the instant case do not purport to obligate any employees other than those who are represented before this Board. Whether the application of these rules, if adopted, would result in claims on the part of other organiza-

tions that their agreements had been violated is not necessary for us to say. The responsibility would be on the Carriers to determine whether they could put the rules in effect without incurring liabilities under other agreements, or whether utilization of the rules would have to be postponed until permissive agreements were reached with the other organizations. In any event, we see no necessity for the Carriers to negotiate their desired rule changes simultaneously with all the organizations that may be or hereafter claim to be affected. Any violations of existing contracts that might result from such a piecemeal approach would come from the application rather than the adoption of such rules. It is not necessary for us to anticipate any such controversies, and if they should develop, the National Railroad Adjustment Board is competent to resolve them.

In concluding that the parties are not precluded from contracting as proposed by the Carriers because of jurisdictional impediments, and that this Board is justified in considering the Carrier's proposals on their merits, we see no conflicts with the findings made by Emergency Boards Nos. 33 and 57.

D. Carriers' Proposed Rule Relative to the Abolishment of Yard-Crew Assignments

As set forth in that part of this report devoted to "How the Disputes Originated," the Carriers proposed to the Organization in July 1954 that the existing agreements between the parties be changed to provide:

> Establish a rule or amend existing rules to provide that the carrier may, when there is less than 4 hours' switching service on any shift where yard service is maintained, on 7 out of any 10 consecutive calendar days, abolish the last yard crew on that shift and thereafter require road crews to perform any and all switching on such shift without penalty [payment] to yard enginemen or additional payment to the road crews so used.

The specific rule proposed by the Carrier at the first session of this Board to establish the foregoing principle reads:

> (*a*) At any station or in any yard where yard crews are employed, whenever it shall be determined that, on each of 7 out of any 10 consecutive calendar days, there is in the aggregate less than 4 hours of actual switching performed on a shift, the last yard crew assignment on that shift may be abolished, and thereafter any and all switching on such shift shall be performed by road crews in any class of service.
>
> (*b*) At any station or in any yard where the last yard crew assignment on a shift has been abolished under the provisions of paragraph (*a*), whenever it shall be determined that, on 7 out of any 10 consecutive calendar days, there is in the aggregate more than 6 hours of actual switching performed on that shift, a yard crew shall be reassigned to the shift.
>
> (*c*) The amount of switching time on a shift shall be determined by the management based upon a survey of switching operations at the station or

yard. The survey shall be conducted by representatives of the carrier, and the organization may have representatives present if it desires. A survey shall be made whenever either the carrier or the organization serves written request therefor upon the other. When such written request is made, the survey shall be conducted within 10 days unless a longer period is agreed upon, and its purpose shall be to gather the facts as to the amount of time switching is actually performed on the shift. A survey and determination may be requested and made as often as, in the opinion of either the carrier or the organization, operating conditions may warrant.

(*d*) When switching is performed by road crews as provided in paragraph (*a*), such work shall be paid for as part of the road day or trip and no other compensation shall be paid under road or yard regulations for such work. Neither road nor yard engine employees may claim pay under yard rules or regulations when such work is performed by road crews.

(*e*) The term "switching," as used in this rule, shall mean yard switching which would usually be performed by a yard crew if on duty, and shall not include work which would usually be performed by road crews at the station or yard even if a yard crew were on duty.

(*f*) The foregoing provisions of this rule supersede and eliminate all rules and regulations, interpretations, or practices, however established, in conflict therewith.

NOTE.—None of the provisions of this rule shall take effect on any individual carrier whose management elects to retain present rules or practices without modification, by so notifying the General Chairman prior to ————————.

1. *Position of the Carriers.*—Yard engine service is, in the main, confined to the breaking up of incoming trains, the assembly of cars for outgoing trains, the movement of cars to and from industrial plants and the transfer of cars from one yard unit to another, in the same terminal territory. At points where no yard engine service is maintained, the necessary switching is performed by road crews. A yard engine crew ordinarily consists of an engineer, a fireman, a conductor (or foreman), and two brakemen (sometimes called helpers). The Carriers say that the need for the rule grows out of the hard-and-fast craft-jurisdictional lines that have developed in railroad operations through the years, as a result of which they cannot call upon an employee engaged in road service to perform even the slightest task identified as yard work, or vice versa, without incurring severe money penalties. This has resulted, it is asserted, in the successful processing of a vast number of penalty claims to the First Division of the National Railroad Adjustment Board and in the building up of a horde of crippling and ofttimes conflicting precedents that render carriers helpless in their efforts to render efficient and economical transportation service. They point out that the rule would not operate to reduce yard engine service where any justifiable need for it exists; that section (c) thereof protects the employees by permitting them to be represented when surveys are made to determine where, when and if yard engine switching service shall be discontinued or reestablished,

and that the long view and overall effect of the rule, if generally adopted, would inure to the benefit of the employees. It was estimated by a witness for the Carriers that if the proposed rule is put into effect, the resulting savings to the Class I line haul railroads of the country will amount to $3½ million per year, with an attendant improvement in the service and no substantial loss to the employees. This is an extremely brief summarization of a Carriers' exhibit of more than 150 pages and 100 pages of printed testimony in the record.

E. Carriers' Proposed Rule Relative to Interchange Service

Carriers' original proposal on this subject read:

Eliminate all rules, regulations, interpretations, or practices, however established, which restrict the Carriers' right to provide for the interchange of cars between railroads, with employees of either carrier, however performed, without restriction as to location of track or tracks where such interchange may be accomplished and without penalty or other additional payment to the employees.

This proposal was embodied in the following specific rule and tendered at the beginning of the hearing by the Carriers:

(*a*) Cars may be interchanged with other carriers anywhere within the switching limits of the station or yard where such interchange is made, without regard to the ownership of the trackage traveled or used.

(*b*) Such interchange of cars may be made by crews of either carrier party to the interchange. The crew making the interchange run may handle cars in both directions, i. e., delivered to and received from the other carrier, on the same run.

(*c*) The crew making the interchange run shall set out and/or pick up cars from any track or tracks designated for the particular movement, as follows:

(1) In delivering cars, the crew making the interchange run may be required to—

(i) set out each designated draft of cars on any track designated for receiving such draft;

(ii) make such setouts at as many designated locations (and on as many designated tracks at each location) as may be necessary to deliver all the cars being delivered on the run;

(iii) shove other cars already in any designated track as may be necessary to place the draft of cars on such track clear of switches.

(2) In receiving cars, the crew making the interchange run may be required to—

(i) pick up each designated draft of cars from any track designated;

(ii) make such pickups at as many designated locations (and from as many designated tracks at each location) as may be necessary to receive all of the cars being received on the run.

(*d*) The crews or employees of either carrier party to the interchange may be required to—

(1) perform any coupling and uncoupling of cars and airhose and setting and releasing of handbrakes as may be necessary in connection with such interchange;

(2) switch the caboose, if any, of the crew making the interchange run.

(*e*) All designations of drafts of cars, tracks, and locations as contemplated by this rule shall be made at the time or from time to time by the carrier having operating control of the tracks where the interchange is being accomplished.

(*f*) The carrier may enter into such reciprocal arrangements with other carriers as it deems necessary to afford an equal division of interchange work between employees of the respective carriers over reasonable periods.

(*g*) No employee covered by this rule shall be entitled to any penalty payment by reason of the performance by employees of either carrier party to the interchange of any work as specified by this rule.

(*h*) The foregoing provisions of this rule supersede and eliminate all rules and regulations, interpretations, or practices, however established, in conflict therewith.

NOTE.—None of the provisions of this rule shall take effect on any individual carrier whose management elects to retain present rules or practices without modification, by so notifying the General Chairman prior to ————————.

1. *Position of the Carriers.*—Carriers assert that this proposed rule would, if placed in their agreements with the Organization, have application at almost every point where two or more railroads connect and interchange cars. Such interchanges are usually handled by use of switch engines and a five-man yard crew, constituted as stated in the proposed rule heretofore discussed, although interchanges are sometimes made by road crews at points where yard engines are not maintained. The principal argument for the recommendation and adoption of this proposal is that through the years serious limitations and restrictions on what yard crews may and may not be required to do in making interchanges have crept into the agreements now in force and in the interpretation of these arrangements by the Adjustment Board. One of the most objectionable practices, prevailing in more than a third of all interchange work, is that crews handle cars in only one direction, that is to say that a crew delivering a line of cars to the receiving track returns "light," thereby doubling the cost of the movement and freezing the engine and crew in useless service. Another complaint is that about 80 percent of the interchange movements of freight cars under the present agreements require that cars be delivered on a previously designated track or tracks, and that the slightest deviation from this requirement results in money claims that aggregate impressive sums.

There is no reason or justification whatever for this uneconomic and inefficient practice; that it affords no protection or advantage to the employees, and only results in slowing down interchange movements and increasing transportation costs to the Carrier and their shippers. These unreasonable restrictions on Carriers' ability to handle the interchange of cars in a practical and businesslike manner and the delays resulting therefrom have been an important factor in causing them to lose patronage to other forms of transportation. An exhibit of 100 pages and another 100 pages of testimony support the

Carriers' thesis, and one of their witnesses testified that in his considered opinion the adoption of the proposed rule would save the Carriers 1½ million man-days, or $25 million in straight-time wages per year. It was also estimated that equipment representing an investment of $75 million would be released for productive use in the industry.

F. Carriers' Proposed Rule for the Elimination of Engine Employees on Self-Propelled Machines

The Carriers' proposal to the Organization was:

Eliminate all rules, regulations, interpretations, or practices, however established, which require the carrier to use engine service employees in any capacity, on self-propelled roadway or shop equipment and machines.

To accomplish this proposal, the Carriers offered the following rule at the hearing:

(*a*) Engineers and Firemen shall have no claim to man or be called to work with self-propelled roadway and shop equipment and machines used in Maintenance of Way and Structures. Maintenance of Equipment, Stores Department, and construction work, such as (this enumeration being by way of illustration and not by way of limitation) locomotive cranes, ditchers, clamshells, piledrivers, scarifiers, wrecking derricks, weed burners, rail detector cars, and other self-propelled roadway and shop equipment or machines, whether operated on tracks or otherwise. Such roadway and shop equipment and machines will not be used to perform switching or handling of empty or loaded cars other than those handled or moved in order to perform the service or to do the work to be done by such roadway and shop equipment and machines in the Maintenance of Way and Structures, Maintenance of Equipment, Stores Department, and construction work.

(*b*) Engineers and Firemen shall have no claim to man or be called to work with either inspection motorcars used by company officials, or motorcars operated with or without trailer cars and used by telegraph, telephone, or company forces, in the performance of maintenance and inspection work.

(*c*) The Management shall be the sole judge as to the need for engine service employees with any of the self-propelled machines covered by the foregoing paragraphs (*a*) and (*b*). If, in the judgement of the Management, an engine service employee is necessary, he will be paid only the rates and under the rules applicable to work train service. In such case, each day such service is performed, the time of the employee used shall be computed from the time he is required to report for duty until he is relieved from duty at the point where he is so relieved.

(*d*) The foregoing provisions of this rule supersede and eliminate all rules and regulations, interpretations, or practices, however established, in conflict herewith.

NOTE.—None of the provisions of this rule shall take effect on any individual carrier whose management elects to retain present rules or practices without modification, by so notifying the General Chairman prior to _____.

1. *Position of the Carriers.* The above proposal would dispense with the employment of engineers and firemen on such equipment as locomotive cranes, ditchers, clamshell, piledrivers, wrecking derricks,

weed burners, scarifiers, rail detector cars, and motorcars used by maintenance-of-way and shop craft forces and inspection officials. It would not apply to the steam, diesel, gasoline, or electric cars used for revenue transportation of passengers or freight. About 65,000 motorcars, 31,500 off-track, and 8,200 on-track self-propelled machines are used in railroad service in the Nation. Engineers and firemen serve no useful purpose in the operation of this equipment. They actually are in the way and interfere with the work of those who do operate the machines; and in many instances the firemen and engineers are actually paid their wages to stay at home, to avoid dissatisfaction among those who perform the work. This situation is labeled as "deplorable and intolerable" by the Carriers. Efforts have been made in the past to justify the practices on the grounds that the engineers and firemen perform pilot or work train service; that the instrumentalities used are a substitute for steam equipment; that the work is main or yard track work; and that the correct test is whether the equipment is readily removable from the tracks. In other cases employees have sought to invoke State full-crew statutes to protect their claims to the work involved, and to claim that the assignment of engineers and firemen is necessary as a safety measure. While most of these doctrines have been rejected by the Adjustment Board, the practices continue by virtue of obsolete and indefensible contractual obligations which ought to be replaced by the proposed rule. The Carrier's brief on this subject contains more than 200 pages, and it was supplemented by 80 pages of testimony. The annual savings that would result from the adoption of this rule by all the operating crafts on the American railroads is estimated at $6,350,000, and that acceptance by the BLF & E, alone, would result in wage savings of $90,000 per year.

G. Carriers' Proposed Rule for the Elimination of Hostlers and Yard Service Employees in the Handling of Light Engines in Yards

The Carriers served on the Organization the following proposal:

Eliminate all rules, regulations, interpretations, or practices, however established, which in any way restrict the carriers' right to use engine crews, in all classes of service, to handle switches and perform such other service as may be required in connection with the movement of their engines within switching limits unaccompanied by yardmen, herders. or pilots, or which provide any penalty payment to yard service (including yard engine service) employees as a result thereof.

Eliminate all rules, regulations, interpretations, or practices which restrict the right of the carriers to determine the necessity for assignment or use of hostlers at any point or on any shift.

To carry out the above proposals, the Carriers ask that the Board recommend that the parties incorporate in their schedule agreements the following new rule:

(*a*) The management may require engine crews in any class of service to handle their engines light between passenger stations, yards, enginehouses, and other points within switching limits as a part of their trip or tour of duty. Engine crews or hostlers (including hostler helpers) may be required to handle switches and perform flagging and other necessary service incidental to such light engine movements, and need not, so far as employees represented by the BLF & E are concerned, be accompanied by a yard service employee, herder, pilot, or other employee, unless the management on occasion elects to so assign another employee.

(*b*) Claims filed by hostlers (including hostler helpers) or other employees represented by the BLF & E, as a result of the handling of light engines by engine crews or the performance of any service by such engine crews in connection therewith, will not be recognized or handled.

(*c*) The management shall have the right to determine the necessity for the assignment and use of hostlers (including hostler helpers) at any point or on any shift. Management may in its discretion establish, discontinue, or abolish such assignments.

(*d*) The foregoing provisions of this rule supersede and eliminate all rules and regulations, interpretations, or practices, however established, in conflict therewith.

NOTE:—None of the provisions of this rule shall take effect on any individual carrier whose management elects to retain present rules or practices without modification, by so notifying the General Chairman prior to ————————.

1. *Position of the Carriers.* The Carriers say that on many railroads there are schedule provisions whereby hostlers are required to be employed to move locomotives used in passenger service to and from the roundhouse and the points where road engine crews begin and end their runs, and whereby engines in freight service are required to be moved by hostlers between the initial and final terminals and the roundhouse or some other designated point. Frequently, also, it is required by the agreements that employees classified as hostler helpers, herders, or pilots shall accompany such movements. There are many intricate and involved variations of these requirements and practices but the above is sufficient to illustrate the character of the matters with regard to which the proposed rule undertakes to deal. The need for the proposed rule grows out of the fact that diesels have almost replaced steam locomotives, and that switches are now largely operated by power rather than manually. During the period when locomotives required frequent trips to the roundhouse or elsewhere for fueling, watering, oiling, and servicing, and when their movement involved much physical labor by way of switchthrowing, etc., there was need for these employees, but this need has long since disappeared. The rule would vest in the Carriers the discretion to determine when and where hostlers and hostler helpers should be employed and would permit Carriers to require engine crews in any class of service to handle their engines light between passenger stations, yards, enginehouses, and other points within switching limits as a part of their trips or tours of duty. A 100-page exhibit

and more than 50 pages of testimony support the Carriers' proposal. A survey of 25 railroads that have agreements requiring the services of hostlers or similar classifications of employees indicates that if those Carriers were relieved of these requirements, their savings would amount to approximately $3,800,000 per year.

H. Position of the Organization With Respect to the Carriers' Proposals for Changes in the Working Rules

As has already been pointed out, the Organization strenuously insisted throughout the hearing that the Carriers did not comply with the requirements of the Railway Labor Act by failing to identify the specific parts of the existing agreements which they desired to have changed and by failing to furnish the Organization with the language of the proposed new rules in advance of the hearing. The Organization did not crossexamine the Carriers' witnesses who testified in support of their proposals, and the only evidence in opposition to the proposals came on rebuttal when the Organization established that at about the same time that the Carriers gave notice of their desire to negotiate their proposals into the Organization's agreements, they also made similar demands for like rules on the Brotherhood of Trainmen and on the Switchmen's Union of North America. It was further disclosed that on May 11, 1955, the Carriers made settlements of wage disputes with those organizations, as a part of which it withdrew its said rules demands. The Organization characterized the proposals as "trading stock" and questioned the Carriers' good faith in pressing them.

I. Findings of the Board

We have already disposed of the Organization's contention that the jurisdictional requirements of the Railway Labor Act were not met by the Carriers in their notices of their desire for changes in the working rules, and there is no necessity for laboring that subject further. Disposition has also been made of the claim that the reports and conclusions of prior Emergency Boards constitute precedents for the conclusion that Carriers' proposals involve the contractual rights of crafts and organizations that are not properly before this Board.

The Board finds it necessary to say that the refusal of the Organization to meet the issues tendered as to the merits of the Carriers' proposals has made its task a most difficult one. This statement is not intended as a reflection on the Organization or its officers or counsel. They had a right to handle the presentation of their case as they saw fit. The fact remains, however, that for all practical purposes we have heard but one side of this aspect of the case. Nothing has been brought forward to advise us from the Organization's point of view

as to how such rules would work in practice or how the employees who would be most vitally affected by their adoption feel about them. This information is within the peculiar, and we might say the exclusive, knowledge of the Organization.

Any board or tribunal that is charged with the responsibility of resolving disputes of fact and of reaching conclusions with respect thereto is entitled to have all of the competent and material evidence relating to the subject under inquiry that the parties in interest have at their command.

It is conceivable that if an organization should make a practice of refusing to present evidence on such issues as we have before us, on the theory that by doing so the board will not have before it sufficient data upon which to make recommendations on the merits, some board will treat the Carriers' showing as unchallenged and sufficient to warrant it in giving its support to the proposals as a matter of course. This would not create a wholesome situation and we shall refrain from taking such a drastic step.

The Board has been much impressed with the thought that there is need for reform in the areas upon which the Carriers' proposals would operate if they were adopted. Our difficulty has been in our endeavor to determine whether the precise rules that have been proposed are best calculated to accomplish the objectives to be desired. We are apprehensive that the intricate and complex situations to which such rules might apply, and with respect to which we may not have been sufficiently advised, might be the source of new problems and difficulties. The members of the Board have no such background of practical experience in the field of railroad operations as would justify them in making an unqualified recommendation for the adoption or rejection of such a comprehensive code of working rules. Such problems could best be solved around the conference table where those who have to work and live with them are present or properly represented.

Throughout the long hours of the hearing we heard many discourses on the economic plight of the railroad industry and the inadequate earnings of those who are employed in it. Little, if anything, was said about any concerted movement or effort to approach and solve these problems in an atmosphere of mutual respect and understanding. Railroad employees should face up to the fact that they are on extremely dangerous ground to whatever extent they demand pay for time that is not reflected in a commensurate amount of worthwhile service rendered. Carriers should understand that they cannot hope to achieve efficiency and economy of operation unless they provide their employees with good working conditions and reasonable compensation. The quid pro quo of sound and stable labor-management

relations are fair wages and good working conditions in exchange for a full measure of productivity.

At the risk of being charged with having sidestepped its responsibility, the Board respectfully suggests that the parties ought to promptly as possible resume negotiations for the settlement of these rules proposals. If the parties do not desire or cannot mutually agree to resume negotiations or, if negotiations fail to settle the controversies, then, in either event, the Board very strongly feels that the parties should promptly agree to arbitrate the proposals. Our recommendation for arbitration is specifically limited to the parties before us, the Carriers and their employees as represented by the Brotherhood of Locomotive Firemen and Enginemen, excluding any other crafts, classes, or employees for which any other organization may be the duly accredited bargaining representative. The issues to be submitted to arbitration should be confined to the subject matters embraced within the scope of the Carriers' original proposals out of which the present controversy originated, rather than the specific rules proposals which the Carriers submitted at the first session of the hearing before this Board. Said arbitration should be on a national basis, unless the parties agree that the issues, in whole or in part, should be submitted to arbitration on a local basis. Except as is herein otherwise recommended, such arbitration should be in accordance with the procedure provided for in the Railway Labor Act, as amended.

Such will be the recommendation of the Board.

VI. RECOMMENDATIONS OF THE BOARD

A. The Organization's Proposal A for Increase in Basic Daily Rates Upon Conversion to 40-Hour Week

1. That the parties proceed through the processes of collective bargaining to agree on the details necessary to replace the present 4-cent conversion factor with a new conversion adjustment in accord with the following:

(*a*) New conversion adjustment to be determined by first applying 20 percent to the basic daily rates in effect in September 1948, dividing the result by 8 and then deducting 14½ cents per hour.

(*b*) New conversion adjustment to be effective only for the crafts for the members of which the Organization accepts complete conversion.

(*c*) New conversion adjustment for the crafts accepting conversion to also be applicable to those members of the crafts who have already converted.

B. The Organization's Proposal B for Minimum Earnings for Road Service Engineers and Firemen

1. That the Organization should withdraw its Proposal B.

C. Carriers' Proposals for Changes in Working Rules

1. That the disputes between the parties with respect to the Carriers' proposals for changes in working rules should be further negotiated between the parties.

2. That if there are no such further negotiations as result in agreement, the controversies should be promptly submitted to arbitration.

3. That the issues submitted to arbitration should be those embraced within the subject matters of the Carriers' original proposals, except those subsequently withdrawn, rather than the specific rules submitted by the Carriers at the first session of the hearing before this Board.

4. That except as has been otherwise recommended herein, arbitration should be in accordance with the procedure prescribed by the Railway Labor Act, as amended.

Respectfully submitted,

CURTIS G. SHAKE, *Chairman.*
MARTIN P. CATHERWOOD, *Member.*
G. ALLAN DASH, *Member.*

WASHINGTON, D. C.,
July 30, 1955.

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APPENDIX A

EXECUTIVE ORDER NO. 10615

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 Carriers' Conference Committees which are designated in List A attached hereto and made a part hereof, and certain of their employees represented by the Brotherhood of Locomotive Firemen and Enginemen, 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 said board shall be pecuniarily or otherwise interested in any organization of employees of any carrier.

The board shall report its findings to the President with respect to the said dispute within 30 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 any of the carriers involved or their employees in the conditions out of which the said dispute arose.

[S] DWIGHT D. EISENHOWER.

THE WHITE HOUSE,
June 17, 1955.

LIST A

EASTERN REGION

Akron, Canton & Youngstown Railroad.
Aliquippa & Southern Railroad.

Ann Arbor Railroad.
Baltimore & Ohio Railroad:
    Buffalo, Rochester & Pittsburgh Territory.
    Buffalo and Susquehanna District.
    Baltimore & Ohio-Chicago Terminal Railroad.
    Curtis Bay Railroad.
    Staten Island Rapid Transit Railway.
    Strouds Creek & Muddlety Railroad.
Bessemer & Lake Erie Railroad.
Boston & Maine Railroad.
Bush Terminal Railroad.
Central Railroad Co. of New Jersey.
Central Vermont Railway.
Chicago, Indianapolis & Louisville Railway.
Cincinnati Union Terminal Co.
Cuyahoga Valley Railway.
Delaware & Hudson Railroad.
Delaware, Lackawanna & Western Railroad.
Detroit, Toledo & Ironton Railroad.
Erie Railroad.
Grand Trunk Western Railway.
Indianapolis Union Railway.
Lake Terminal Railroad.
Lehigh & New England Railroad.
Lehigh Valley Railroad.
Long Island Railroad.
Maine Central Railroad.
    Portland Terminal.
McKeesport Connecting Railroad.
Monongahela Connecting Railroad.
Monongahela Railway.
Montour Railroad.
Newburgh & South Shore Railway.
New York Central System:
    New York Central Railroad—Buffalo & East.
    New York Central Railroad—West of Buffalo.
        Ohio Central Division.
        Federal Valley.
    Michigan Central Railroad.
    Cleveland, Cincinnati, Chicago & St. Louis Railway.
        Peoria & Eastern Railway.
    Boston and Albany Railroad.
    Pittsburgh & Lake Erie Railroad.
        Lake Erie & Eastern Railway.
    Indiana Harbor Belt Railroad.
    Cleveland Union Terminals Co.
New York, Chicago & St. Louis Railroad.
New York, New Haven & Hartford Railroad.
New York, Susquehanna & Western Railroad.
Pennsylvania Railroad: Baltimore & Eastern Railroad.
Pennsylvania-Reading Seashore Lines.
Pittsburgh & West Virginia Railway.
Pittsburgh, Chartiers & Youghiogheny Railway.

Reading Co.
Toledo Terminal Railroad.
Union Freight Railroad (Boston).
Washington Terminal Co.
Youngstown & Northern Railroad.

WESTERN REGION

Alton & Southern Railroad.
Atchison, Topeka & Santa Fe Railway:
    Gulf, Colorado & Santa Fe Railway.
    Panhandle & Santa Fe Railway.
Belt Railway Co. of Chicago.
Camas Prairie Railroad.
Chicago & Eastern Illinois Railroad.
Chicago & Illinois Midland Railway.
Chicago & North Western Railway.
Chicago, Burlington & Quincy Railroad.
Chicago Great Western Railway—
    Including South St. Paul Terminal
Chicago, Milwaukee, St. Paul & Pacific Railroad.
Chicago, Rock Island & Pacific Railroad: Joint Texas Division of CRI & P R. R. and Fort Worth & Denver Railway.
Chicago, St. Paul, Minneapolis & Omaha Railway.
Colorado & Southern Railway.
Davenport, Rock Island & North Western Railway.
Des Moines Union Railway.
Duluth, South Shore & Atlantic Railroad.
East St. Louis Junction Railroad.
Elgin, Joliet & Eastern Railway.
Fort Worth & Denver Railway.
Galveston, Houston & Henderson Railroad.
Great Northern Railway.
Green Bay and Western Railroad: Kewaunee, Green Bay & Western Railroad.
Gulf Coast Lines:
    Asherton and Gulf Railway.
    Asphalt Belt Railway.
    Houston and Brazos Valley Railway.
    Rio Grande City Railway.
    St. Louis, Brownsville & Mexico Railway.
    San Antonio Southern Railway.
    San Antonio, Uvalde & Gulf Railroad.
    San Benito and Rio Grande Valley Railway.
    Sugar Land Railway.
Houston Belt & Terminal Railway.
Illinois Central Railroad.
International-Great Northern Railway.
Kansas City Southern Railway.
King Street Passenger Station (Seattle).
Los Angeles Junction Railway.
Louisiana & Arkansas Railway.
Manufacturers Railway.
Midland Valley Railroad: Kansas, Oklahoma & Gulf Railway.

Minneapolis & St. Louis Railway: Railway Transfer Co. of the City of Minneapolis.
Minneapolis, St. Paul & Sault Ste. Marie Railroad.
Minnesota Transfer Railway.
Missouri-Kansas-Texas Railroad: Missouri-Kansas-Texas Railroad Co. of Texas.
Missouri Pacific Railroad: Missouri-Illinois Railroad.
Northern Pacific Railway.
Northern Pacific Terminal Co. of Oregon.
Northwestern Pacific Railroad.
Ogden Union Railway & Depot Co.
Oregon, California & Eastern Railway.
Peoria & Pekin Union Railway.
Port Terminal Railroad Association.
St. Joseph Terminal Railroad.
St. Louis-San Francisco Railway: St. Louis, San Francisco & Texas Railway.
St. Louis Southwestern Railway.
St. Paul Union Depot Co.
San Diego & Arizona Eastern Railway.
Sioux City Terminal Railway.
Southern Pacific Co. (Pacific Lines): (Excluding former El Paso & Southwestern System and Nogales, Arizona Yard).
Southern Pacific Co. (Pacific Lines): (Former El Paso and Southwestern System).
Spokane International Railroad.
Spokane, Portland & Seattle Railway:
    Oregon Trunk Railway.
    Oregon Electric Railway.
Terminal Railroad Association of St. Louis.
Texas & New Orleans Railroad.
Texas & Pacific:
    Fort Worth Belt Railway.
    Texas-New Mexico Railway.
    Texas Short Line Railway.
TP–MP Terminal Railroad of New Orleans.
Toledo, Peoria & Western Railroad.
Union Pacific Railroad.
Union Railway (Memphis).
Union Terminal Co. (Dallas).
Wabash Railroad, Lines West of Detroit and Toledo.
Wabash Railroad, Lines East of Detroit (Buffalo Division).
Western Pacific Railroad.

Southeastern Region

Atlantic Coast Line Railroad.
Atlanta & West Point Railroad: Western Railway of Alabama.
Atlanta Joint Terminals.
Birmingham Southern Railroad.
Charleston & Western Carolina Railway.
Chesapeake & Ohio Railway.
Clinchfield Railroad.
Florida East Coast Railway.
Georgia Railroad.

Gulf Mobile & Ohio Railroad.
Kentucky & Indiana Terminal Railroad.
Louisville & Nashville Railroad.
Norfolk Southern Railway Co.
Norfolk & Portsmouth Belt Line Railroad.
Norfolk & Western Railway.
Richmond, Fredericksburg & Potomac Railroad Potomac Yards.
Seaboard Air Line Railway Co.
Southern Railway (including State University Railroad) :
    Alabama Great Southern.
    Cincinnati New Orleans & Texas Pacific Railway.
    Georgia Southern & Florida Railway.
    Harriman & Northeastern Railroad Co.
    New Orleans & Northeastern Railroad Co.
    New Orleans Terminal Co.
St. Johns River Terminal Co.
Tennessee Central Railway Co.
Virginian Railway Co.

APPENDIX B

APPEARANCES

FOR THE EASTERN CARRIERS' CONFERENCE COMMITTEE

F. J. Goebel (chairman), vice president, personnel, Baltimore & Ohio Railroad.
E. P. Gangewere, vice president, operation and Maintenance, Reading Co.
L. W. Horning, vice president, personnel, New York Central System.
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. P. Buckley, assistant to vice president, Southern Pacific Co.
L. D. Comer, assistant to vice president, The Atchison, Topeka & Santa Fe Railway.
E. J. Connors, vice president, Union Pacific Railroad.
E. H. Hallmann, director of personnel, Illinois Central Railroad.
J. E. Wolfe, assistant vice president, Chicago, Burlington & Quincy Railroad.
R. F. Welsh, executive secretary, The Association of Western Railways.

SOUTHEASTERN CARRIERS' CONFERENCE

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

COUNSEL FOR THE CARRIERS' CONFERENCE COMMITTEE

W. S. MacGill, general attorney, Southern Railway System.
Donald C. Fitch, Jr., Robertson, Jackson, Payne, Lancaster & Walker, Dallas.
James R. Bliss, John C. Walker, Frederic W. Hickman, and Howard Neitzert, Sidley, Austin, Burgess & Smith, Chicago.

APPEARANCES IN BEHALF OF THE BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN

H. E. Gilbert, international president.
Ruben Eschler, vice president.
Harold C. Heiss, attorney.
Charles W. Phillips, attorney.

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James L. Highsaw, Jr., attorney.
H. P. Melnikow, consulting economist.

Committee

H. A. Ball, chairman.
D. H. Creasy, vice chairman.
E. P. McCormack.
N. J. Gibson.
G. L. Blandford.
T. L. Parry.
T. F. Purnell.
G. D. Morgan.
J. R. Jones.

APPENDIX C

NATIONAL MEDIATION BOARD,
Washington, July 11, 1955.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: Reference is made to your Executive Order No. 10615, dated June 17, 1955, creating an Emergency Board under provisions of Section 10 of the Railway Labor Act, to investigate a dispute between certain carriers represented by the Eastern, Western, and Southeastern Carriers' Conference Committees and certain of their employees represented by the Brotherhood of Locomotive Firemen and Enginemen.

Under the terms of this Executive order, the 30-day period provided in Section 10 of the Railway Labor Act, for the Emergency Board to render its report expires on July 17, 1955. The Emergency Board has been in session in Chicago, Illinois, and recessed the hearings on July 9, 1955, to resume in Washington, D. C., on Monday, July 18, 1955. The parties have signed a stipulation requesting that an extension of time be granted to permit the Emergency Board to report not later than August 1, 1955.

The National Mediation Board accordingly recommends that the extension of time be approved, permitting this Emergency Board to file its report and recommendations not later than August 1, 1955.

Respectfully,

LEVERETT EDWARDS,
Chairman, National Mediation Board.

Approved:
(Signed) DWIGHT D. EISENHOWER,
July 14, 1955.

APPENDIX D

BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN,
July 1, 1954.

PROPOSAL (A):

Article 1, paragraph (d), of Agreement A made the 23d day of May 1952, by and between the participating carriers listed in Exhibits A, B, and C, represented by the Eastern, Western, and Southeastern Carriers' Conference Committees, and the employees shown thereon and represented by the Brotherhood of Locomotive Firemen and Enginemen, shall be amended to read:

(d) Upon the date this Agreement becomes effective as provided for in Agreement B, an additional 32 cents per hour, or $2.56 per day, shall be added to the rate of engineers and firemen, and helpers on other than steam power, in yard service, and hostlers and outside hostler helpers.

PROPOSAL (B):

The earnings from mileage, overtime, or other rules applicable for each day service is performed in all passenger and freight service, shall be not less than twenty dollars ($20) for engineers and eighteen dollars ($18) for firemen, and for helpers on other than steam power.

EXPLANATION OF PROPOSAL B FROM BRIEF ON BEHALF OF THE BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN

(Dated July 13, 1955) (Page 8)

Pursuant to advice given you in conference January 20, 1955, the following is an explanation of paragraph B of our proposal dated July 1, 1954:

In applying the $20 minimum for engineers and the $18 minimum for firemen, it is intended that such minima shall be applicable to each basic day (trip) on which service is performed so as to bring the employees' earnings for a week, commencing Monday, up to an amount equal to the number of basic days on which service is performed multiplied by the minimum applicable, but not to exceed $120 for engineers or $108 for firemen in any given week.

In cases where the earnings for an engineer exceeds $120 for the week, commencing Monday, or the earnings for a fireman exceeds $108, the minimum would not be applicable.

In cases where the earnings of an engineer are less than $120 or the earnings of a fireman are less than $108 for a week commencing Monday, the minima shall be applied to each basic day (trip) on which service was performed, and on which less than the minimum was earned, so as to bring the earnings for the week up to an amount equal to $20 multiplied by the number of basic days on which service is performed in the week for an engineer and to $18 multiplied by the number of basic days on which service is performed in the week for a fireman.

APPENDIX E

Interim Agreement

This Agreement made this twenty-third day of May 1952, by and between the participating carriers listed in Exhibits A, B, and C, attached hereto and hereby made a part hereof, and represented by Eastern, Western, and Southeastern Carriers' Conference Committees, and the employees shown thereon and represented by the Brotherhood of Locomotive Firemen and Enginemen through their conference committee.

Witnesseth:

Whereas on or about November 1, 1949, certain proposals were served on the carriers parties hereto by the Brotherhood of Locomotive Firemen and Enginemen on behalf of employees represented by that organization; and

Whereas on or about the same date certain proposals on behalf of the carriers parties hereto were served on the employees of said carriers represented by the Brotherhood of Locomotive Firemen and Enginemen.

Now therefore it is agreed:

Article 1—Wage Increases

(*a*) Effective October 1, 1950, an increase of 18 cents per hour or $1.44 per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and, in consideration of other provisions of this agreement, a further increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers, and an increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in road service.

(*b*) Effective January 1, 1951, an increase of 2 cents per hour or 16 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers, and an increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in road service.

(*c*) Effective March 1, 1951, an increase of 2 cents per hour or 16 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and an increase of 2½ cents per hour or 20 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in road service.

(*d*) Blank.

(*e*) Yard rates shall apply to belt line, transfer and yard service, or combinations thereof, effective October 1, 1950.

(*f*) The interim increase of 12½ cents per hour for yardmen, and 5 cents per hour for employees in road service, effective October 1, 1950, as provided in

General Order No. 2, issued February 8, 1951, by Assistant Secretary of the Army Karl R. Bendetsen, shall be credited against the increases provided for in this Article 1.

(*g*) In application of increases provided for in paragraphs (*a*), (*b*), and (*c*)—

1. All arbitraries, miscellaneous rates, or special allowances as provided in the schedules or wage agreements shall be increased under this agreement in proportion to the daily increase herein granted.

2. In determining new hourly rates, fractions of a cent will be disposed of by applying next higher quarter of a cent.

3. Mileage rates shall be determined by dividing the new daily rates by the miles constituting a basic day's work in the respective classes of service.

4. Daily earnings minima shall be increased by the amount of the respective daily increase.

5. Existing money differentials above existing standard daily rates shall be maintained.

6. In local freight service the same differential in excess of through freight rates shall be maintained.

ARTICLE 2—COST-OF-LIVING ADJUSTMENT

(*a*) A cost-of-living adjustment will be determined in accordance with changes in the "Consumers' Price Index for Moderate Income Families for Large Cities Combined"—"All Items" (1935–39=100) (Old Series)—as published by the Bureau of Labor Statistics, U. S. Department of Labor, and hereafter referred to as the BLS Consumers' Price Index. For the purpose of this computation an arbitrary base index of 178.0 is agreed to. The cost-of-living adjustment as hereinafter provided shall be made commencing April 1, 1951, and each 3 months thereafter based on the BLS Consumers' Price Index as of February 15, 1951, and the BLS Consumers' Price Index each third month thereafter as illustrated by the following table:

BLS Consumers' Price Index as of—	*Effective date of adjustment—first pay period on or after—*
February 15, 1951	April 1, 1951.
May 15, 1951	July 1, 1951.
August 15, 1951	October 1, 1951.
November 15, 1951	January 1, 1952.
February 15, 1952	April 1, 1952.
May 15, 1952	July 1, 1952.
August 15, 1952	October 1, 1952.
November 15, 1952	January 1, 1953.
February 15, 1953	April 1, 1953.
May 15, 1953	July 1, 1953.
August 15, 1953	October 1, 1953.

(*b*) The cost-of-living adjustment, when provided for, shall remain in effect to date of subsequent adjustment, as provided for in paragraph (*a*).

(*c*) Wage rates in effect March 1, 1951, will not be reduced during the life of this agreement. However, such rates are subject to a cost-of-living adjustment in accordance with the following table; adjustments to be made on the dates as illustrated in paragraph (*a*):

BLS Consumers' Price Index	*Cost-of-living allowance*
178.0 and less than 179.0	None.
179.0 and less than 180.0	1 cent per hour (8 cents per basic day)
180.0 and less than 181.0	2 cents per hour (16 cents per basic day)
181.0 and less than 182.0	3 cents per hour (24 cents per basic day)
182.0 and less than 183.0	4 cents per hour (32 cents per basic day)

and so forth, with corresponding 1 cent per hour (8 cents per basic day) adjustment for each 1 point change in the index. The initial allowance of 1 cent per

hour (8 cents per basic day) made when the index reaches 179.0 will not be eliminated unless the index reaches 178.0 or less.

Examples

If the BLS Consumers' Price Index as of February 15, 1951, should be 179.0 and less than 180.0, 1 cent per hour (8 cents per basic day) shall be added effective April 1, 1951, as a cost-of-living adjustment; if such index as of May 15, 1951, should be 178.0 or less, then effective July 1, 1951, the cost-of-living adjustment established under this example will be eliminated.

If the BLS Consumers' Price Index as of February 15, 1951, should be 180.0 and less than 181.0, 2 cents per hour (16 cents per basic day) shall be added effective April 1, 1951, as a cost-of-living adjustment; if such index as of May 15, 1951, should be 179.0 and less than 180.0, then effective July 1, 1951, the cost-of-living adjustment established under this example will be reduced by 1 cent per hour (8 cents per basic day).

The cost-of-living adjustment will be applied as a wage increase or a wage reduction in the same manner as the wage increase provided for in article 1 hereof.

(*d*) In the event the Bureau of Labor Statistics does not issue the specified BLS Consumers' Price Index on or before the effective dates specified in paragraph (*a*), the cost-of-living adjustment will become effective on the first day of the pay period during which the index is released.

(*e*) No adjustments, except as provided in paragraph (*f*), shall be made because of any revision which may later be made in the published figures of the BLS Consumers' Price Index for any base month.

(*f*) The parties to this agreement agree that the continuance of the cost-of-living adjustment is dependent upon the availability of the official monthly BLS Consumers' Price Index in its present form and calculated on the same basis as the Index for August 15, 1950, except that, if the Bureau of Labor Statistics, U. S. Department of Labor, should during the effective period of this agreement revise or change the methods or basic data used in calculating the BLS Consumers' Price Index in such a way as to affect the direct comparability of such revised or changed index with the index for August 15, 1950, then that Bureau shall be requested to furnish a conversion factor designed to adjust to the new basis the base index of 178.0 described in paragraph (*a*) hereof, and the several indexes listed in paragraph (*c*) hereof.

(*g*) The parties agree that this article 2 shall remain in effect until October 1, 1953, and thereafter subject to change under the provisions of the Railway Labor Act as amended.

ARTICLE 3—6-DAY WORKWEEK

NOTE.—The provisions of this article 3 shall apply on those railroads or railroad systems where employees represented by the Brotherhood of Locomotive Firemen and Enginemen notify their Management that they elect to become subject to the provisions of this article 3. Unless and until such notice is given, the provisions of this article 3 shall not become applicable. On those railroads or railroad systems where the employees elect not to become subject to the provisions of this article 3, such employees may nevertheless elect to take the 5-day workweek referred to, and in accordance with, the provisions of "Agreement 'B' " dated May 23, 1952.

SECTION 1

(*a*) Effective with the first payroll period after 90 days from the date of the notice referred to in the preceding note of this article 3, any carrier so notified will establish for engineers and firemen, and helpers on other than steam power, in yard, transfer, and belt line service, or combinations thereof, and hostlers and hostler helpers, represented by the Brotherhood of Locomotive Firemen and Enginemen, a workweek of six basic days. Except as otherwise provided in this article 3, the workweek will consist of 6 days with 1 day off in each 7. The foregoing workweek rule is subject to all other provisions of this agreement.

(*b*) The designated officer or officers on each railroad and the representative or representatives designated by the Brotherhood of Locomotive Firemen and Enginemen will meet and agree on details and methods for rebulletining and reassigning jobs to conform with the 6-day week. After all initial changes have been made to place the 6-day week in effect, subsequent changes will be made in accordance with schedule agreement rules.

SECTION 2

The term "workweek" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work.

SECTION 3

(*a*) When service is required by a carrier on the designated off day of a regular assignment it may be performed by other regular assignments, by regular relief assignments, by a combination of regular and regular relief assignments, or by extra employees when not protected in the foregoing manner. (This does not disturb rules or practices on roads involving the use of emergency men or unassigned employees.) Where regular relief assignments are established, they shall, except as otherwise provided in this agreement, have 6 days of work, designated days of service, and definite starting times on each shift within the time periods specified in the starting time rules. They may on different days, however, have different starting times within the periods specified in the starting time rules, and have different points for going on and off duty within the same seniority district which shall be the same as those of the employee or employees they are relieving.

(*b*) Where regular relief assignments cannot be established for six days on the same shift within the time periods specified in the starting time rules, as provided for in section 3 (*a*), such assignments may be established for 6 days with different starting times on different shifts on different days, within the time periods specified in the starting time rules, and on different days may have different points for going on and off duty in the same seniority district which shall be the same as those of the employee or employees they are relieving.

(*c*) After the starting times and days of service have been established, changes therein may be made only in accordance with agreements on individual railroads.

(*d*) Rules providing for assignments of crews "for a fixed period of time which shall be for the same hours daily" will be relaxed only to the extent provided in (*a*) and (*b*) of this section 3.

(*e*) Except as otherwise provided for in this section 3, regular relief assignments shall be established in conformity with rules in agreements or practices in effect on individual properties governing starting times and bulletining of assignments, and when so established may be changed thereafter only in accordance with agreements on the individual railroads.

SECTION 4

(*a*) *Accumulation.*—Agreements may be made on the individual properties to provide for the accumulation of off days over a period not to exceed six consecutive weeks.

(*b*) *Day off.*—In cases where off day is to be filled which cannot be made a part of a regular assignment at an outlying or small yard and there are no extra men at the point, by agreement between representatives of the carrier and the organization, such day may be filled by using the regular men and be paid for at straight-time rate.

(*c*) Blank.

SECTION 5—REGULAR EMPLOYEES

(*a*) Existing rules which relate to the payment of daily overtime for regular assigned employees and practices thereunder are not changed hereby and shall be understood to apply to regular assigned relief men, except that work performed by regular assigned relief men on their regular relief assignments shall be paid for at the straight-time rate.

(*b*) Regular assigned yard and hostling service employees worked as such more than six straight-time 8-hour shifts in a work week shall be paid one and one-half times the basic straight-time rate for such excess work except—

(1) As provided in section 4 (*a*) and (*b*);

(2) When changing off where it is the practice to work alternatively days and nights for certain periods;

(3) When working through two shifts to change off;

(4) Where exercising seniority rights from one assignment to another;

(5) Where paid straight-time rates under existing rules or practices for a second tour of duty in another grade or class of service.

In the event an additional day's pay is paid to an employee for other service performed or started during the course of his regular tour of duty, such additional day will not be utilized in computing the six straight-time 8-hour shifts referred to in this paragraph (*b*).

(*c*) There shall be no overtime on overtime; neither shall overtime hours paid for, nor time paid for work referred to in paragraph (*b*) of this section 5, be utilized in computing the six straight-time 8-hour shifts referred to in such paragraph (*b*) of this Section 5, nor shall time paid for in the nature of arbitraries or special allowances such as attending court, inquests, investigations, examinations, deadheading, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours. Existing rules or practices regarding the basis of payment of arbitraries or special allowances and similar rules are not affected by this agreement.

(*d*) No tour of duty in road service, or service under two agreements, shall be utilized in computations leading to overtime, or in determining the number of workdays, under this article 3.

SECTION 6—EXTRA EMPLOYEES

(*a*) Existing rules which relate to the payment of daily overtime for extra employees and practices thereunder are not changed hereby. Any shift in yard and hostling service in excess of 13 straight-time shifts in yard and hostling service in a semimonthly period will be paid for at time and one-half rate.

NOTE.—It is recognized that the carrier is entitled to have an extra employee work 13 straight-time shifts in yard and hostling service in a semimonthly period without regard to overtime shifts which may be worked under provisions of the

agreement of August 11, 1948. Extra men who have worked 13 straight-time shifts in yard and hostling service in a semimonthly period will, unless otherwise agreed to upon the individual property, remain on the extra board, but will not be used in yard and hostling service during the remainder of that period if other extra men are available who can work in such service at the straight time rate.

(*b*) In the event an additional day's pay is paid to an extra employee for other service performed or started during the course of his tour of duty in yard or hostling service, such additional day will not be utilized in computing the 13 straight-time shifts referred to in paragraph (*a*) of this section.

(*c*) The principles outlined in section 5 (*c*) and (*d*) shall be applicable to extra employees in the application of this section 6.

SECTION 7—BLANK

SECTION 8

Existing weekly or monthly guarantees in yard or hostling service producing more than 6 days per week shall be modified to provide for a guarantee of 6 days per week. Nothing in this article 3 shall be construed to create a guarantee where none now exists.

SECTION 9

(*a*) All regular or regular relief assignments for engineers and firemen, and helpers on other than steam power, in yard, transfer, and belt line service, or combinations thereof, and hostlers and hostler helpers, represented by the Brotherhood of Locomotive Firemen and Enginemen, will be for a workweek of 6 basic days. Except as otherwise provided in this article 3, the workweek will consist of 6 days with 1 day off in each 7. The foregoing workweek rule is subject to all other provisions of this agreement.

(*b*) An employee on a regular or regular relief assignment who takes another regular or regular relief assignment, will take the conditions of that assignment, but if this results in the employee working more than 6 days in the period starting with the first day of his old workweek and dening with the last day of his new workweek, such day or days will be paid at straight-time rate.

(*c*) A regular assigned employee in yard and hostling service, who under schedule rules goes on an extra board, may work on a board for the remainder of the semimonthly period, provided the combined days worked in yard and hostling service on the regular assignment and an extra board do not exceed 13 straight-time days. He will then be subject to the "Note" under section 6 of this article 3.

(*d*) An employee who leaves an extra board for a regular or regular relief assignment will take the conditions of his new assignment at straight-time rate, without regard to the number of days he may have worked on an extra board.

(*e*) Except as provided in paragraphs (*b*), (*c*), and (*d*) of this section, and excluding the exceptions from the computations provided for in section 5, paragraphs (*b*) and (*c*)—

> Regular employees will not be permitted to work more than six straight-time, 8-hour shifts in a workweek,
>
> Extra employees will not be permitted to work more than 13 straight-time, 8-hour shifts in a semimonthly period.

in service covered by this article 3.

SECTION 10

(*a*) The provisions of this article 3 applicable to yard service shall apply to yard, belt line, and transfer service, and combinations thereof.

(*b*) None of the provisions of this article 3 relating to starting time shall be applicable to any classification of employees included within this article 3 which is not now subject to starting time rules.

SECTION 11

Existing rules and practices, including those relating to the establishment of regular assignments, the establishment and regulation of extra boards and the operation of working lists, etc., shall be changed or eliminated to conform to the provisions of this article 3 in order to implement the operation of the reduced workweek on a straight-time basis pursuant thereto.

SECTION 12

The parties hereto having in mind conditions which exist or may arise on individual carriers in the application of the 6-day workweek agree that the duly authorized representative of the employees, party to this agreement, and the officer designated by the carrier, may enter into additional written understandings to implement the purposes of this article 3.

ARTICLE 4.—INTERDIVISIONAL, INTERSENIORITY DISTRICT, INTRADIVISIONAL AND/OR INTRASENIORITY DISTRICT SERVICE (FREIGHT OR PASSENGER)

Where a carrier desires to establish interdivisional, interseniority district, intradivisional, or intraseniority district runs in passenger or freight service, the carrier shall give notice to the General Chairman of the organizations involved of its desire to establish such runs, giving detailed information specifying the service it proposes to establish and the conditions, if any, which it proposes shall govern the establishment of such service, the purpose being to furnish the employees with all the necessary information.

The parties will negotiate in good faith on such proposals and failing to agree, either party may invoke the services of the National Mediation Board. If mediation fails and the parties do not agree to arbitrate the dispute under the Railway Labor Act, then at the request of either party, the proposal will be considered by a National Committee consisting of the chiefs of the employee organizations involved and an equal number of carrier representatives who shall be members of the Carriers' Conference Committees, signatories hereto, or their successors or representatives: *Provided, however*, That this procedure of appeal to the National Committee thus created shall not be made in any case for a period of 6 months from the date of this agreement.

If said National Committee does not agree upon the disposition of the proposal, then the conferees will in good faith undertake to agree upon a neutral chairman who will sit with the committee, hear the arguments of the parties, and make representations and recommendations to the parties with the view in mind of disposing of the controversy. In the event the parties do not agree upon such neutral chairman, then upon the request of the parties, or either of them, the National Mediation Board will appoint the chairman.

While the recommendations of the Chairman are not to be compulsory or binding as an arbitration award, yet the parties hereto affirm their good in-

tentions of arranging through the above procedure for the final disposition of all such disputes on a fair and reasonable basis.

Every effort will be made to settle disputes over interdivisional service on the property and thus to minimize the number of appeals to the above National Committee.

This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 5.—MORE THAN ONE CLASS OF ROAD SERVICE

The dispute as to this rule shall be submitted to arbitration. The arbitrators shall have the right to consider whether or not any rule covering more than one class of road service should be granted, and if so, the language of such rule.

Each party shall designate the exact questions, conditions or issues relating to such rule which it desires to submit to arbitration, and same shall constitute the questions to be submitted to arbitration.

The Board of Arbitration shall be composed of three members, one appointed by the Chairmen of the three Carriers' Conference Committees; one by the organization or organizations executing this agreement. The arbitrators selected by the parties shall in good faith endeavor to agree on the neutral arbitrator, and failing therein, said neutral shall be appointed by the President of the United States. Procedures, including time limits within which all actions provided for herein are to be taken, shall be according to the forms, procedures, and stipulations contained in the Railway Labor Act, as amended. The arbitration proceedings shall be commenced on or before August 12, 1952.

ARTICLE 6.—SWITCHING SERVICE FOR NEW INDUSTRIES

(*a*) Where, after the effective date of this agreement, an industry desires to locate outside of existing switching limits at points where yard crews are employed, the carrier may assure switching service at such location even though switching limits be not changed, and may perform such service with yard crews from a yard or yards embraced within one and the same switching limits without additional compensation or penalties therefor to yard or road crews, provided the switch governing movements from the main track to the track or tracks serving such industry is located at a point not to exceed 4 miles from the then existing switching limits. Road crews may perform service at such industry only to the extent they could do so if such industry were within switching limits. Where rules require that yard limits and switching limits be the same, the yard limit board may be moved for operating purposes but switching limits shall remain unchanged unless and until changed in accordance with rules governing changes in switching limits.

The yard engineer-fireman or yard engineers-firemen involved shall keep account of and report to the carrier daily on form provided the actual time consumed by the yard crew or crews outside of the switching limits in serving the industry in accordance with this rule and a statement of such time shall be furnished the BLF & E General Chairman or General Chairmen representing yard and road engineers-firemen by the carrier each month. The BLF & E General Chairman or General Chairmen involved may at periodic intervals of not less than 3 months designate a plan for apportionment of time whereby road engineers-firemen from the seniority district on which the industry is located may work in yard service under yard rules and conditions to offset the time consumed by yard crews outside the switching limits. Failing to arrange for

the apportionment at the indicated periods they will be understood to have waived rights to apportionment for previous periods. Failure on the part of employee representatives to designate an apportionment, the carrier will be under no obligation to do so and will not be subject to claims.

(*b*) This rule shall in no way affect the servicing of industries outside yard or switching limits at points where no yard crews are employed.

(*c*) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 7—CHANGING SWITCHING LIMITS

(*a*) Where an individual carrier not now having the right to change existing switching limits where yard crews are employed, considers it advisable to change the same, it shall give notice in writing to the General Chairman or General Chairmen of such intention, specifying the changes it proposes and the conditions, if any, it proposes shall apply in event of such change. The carrier and the General Chairman or General Chairmen shall, within 30 days, endeavor to negotiate an understanding.

In the event the carrier and the General Chairman or General Chairmen cannot so agree on the matter, any party involved may invoke the services of the National Mediation Board.

If mediation fails, the parties agree that the dispute shall be submitted to arbitration under the Railway Labor Act, as amended. Upon such failure of mediation, the carrier shall designate the exact questions or conditions it desires to submit to arbitration and the General Chairman or General Chairmen shall designate the exact questions or conditions such General Chairman or General Chairmen desire to submit to arbitration. Such questions or conditions shall constitute the questions to be submitted to arbitration.

The arbitrators selected by the parties shall in good faith endeavor to agree on the neutral arbitrator or arbitrators in accordance with the provisions of the Railway Labor Act, as amended. In the event they fail to agree, the neutral arbitrator or arbitrators shall be appointed by the National Mediation Board, all in accordance with the provisions of the Railway Labor Act, as amended. The jurisdiction of the Arbitration Board shall be limited to the questions submitted to it. The award of the Board shall be final and binding upon the parties.

(*b*) This rule shall in no way affect the changing of yard or switching limits at points where no yard crews are employed.

(*c*) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 8—REPORTING FOR DUTY

(*a*) In assigned road service where under existing rules employees report for duty without being notified or called and it is desired on any day to defer the reporting time, advance notice shall be given not less than the usual advance calling time for reporting for duty at each terminal and in accordance with usual calling practices at such terminal. The employee shall be notified at such time when he is to report and only one such deferment may be made. In such cases the time of the trip or tour of duty shall begin at the time the employee is required in accordance with said notice of change to report for duty. If not so notified, the reporting time shall be as provided in the assignment.

(*b*) Where employees are notified by call of time at which to report, existing rules or practices are not changed or affected by this rule.

(c) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 9—APPROVAL

This agreement is subject to approval of the courts with respect to carriers in the hands of receivers or trustees.

This agreement is subject to such approval as may be necessary under the terms of the Executive Order by the President of the United States taking over the railroads and the laws of the United States pertaining to stabilization of prices, wages, etc.

ARTICLE 10—MORATORIUM

No proposals for changes in rates of pay, rules, or working conditions will be initiated or progressed by the employees against any carrier or by any carrier against its employees, parties hereto, within a period of 3 years from October 1, 1950, except such proposals for changes in rules or working conditions which may have been initiated prior to June 1, 1950: *Provided, however*, That if Government wage stabilization policy permits so-called annual improvement wage increases, the parties may meet with the President of the United States, or such other person as he may designate, on or after July 1, 1952, to discuss whether or not further wage adjustments for employees covered by this agreement are justified, in addition to increases received under the cost-of-living formula. At the request of either party for such a meeting, the President or his representatives shall fix the time and place for such meeting. The President or his representative and the parties may secure information from the wage stabilization authorities or other government agencies. If the parties are unable to agree at such conferences whether or not further wage adjustments are justified, they shall ask the President of the United States to appoint a referee who shall sit with them and consider all pertinent information, and decide promptly whether further wage increases are justified and, if so, what such increases should be, and the effective date thereof. The carrier representatives shall have one vote, the employee representatives shall have one vote, and the referee shall have one vote.

The foregoing will not debar management and committees on individual railroads from mutually agreeing upon changes in rates, rules, and working conditions of employees covered by this agreement; nor does it bar committees of the organization from service of notice to change mileage limitations on individual properties.

ARTICLE 11—DISPUTES COMMITTEE

Any dispute arising between parties to this agreement in connection with the revision of individual agreements so as to make them conform to this agreement shall be referred jointly, or by either party, for decision to a committee, the carrier members of which shall be three members of the Carriers' Conference Committees, signatories hereto, or their successors, and the employee members of which shall be three representatives selected by the organization signatory hereto.

In the event the Committee is unable to reach a decision with respect to any such disputes, a neutral referee shall be selected by the members of the Committee, to sit with the Committee and act as a member thereof.

If a majority of the Committee is unable to agree upon the selection of a neutral referee, any three members of the Committee may request the National Mediation Board to appoint such neutral referee.

Decisions of a majority of all the members of the Committee shall be final and binding upon the parties to any dispute in which a decision may be rendered.

ARTICLE 12

This interim agreement is during its life, as provided in agreement of this date identified as "Agreement B," in full and final settlement of the dispute growing out of notices served by the employees, parties hereto, and by the carriers, parties hereto, on or about November 1, 1949, in accordance with Section 6 of the Railway Labor Act, of intended changes in agreements affecting rates of pay, rules, and working conditions.

ARTICLE 13

This agreement shall be construed as a separate agreement by and on behalf of each carrier party hereto and those employees represented by the Brotherhood of Locomotive Firemen and Enginemen as heretofore stated.

Signed at Washington, D. C., this 23d day of May 1952.

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A:

F. J. Goebel — J. W. Oram
H. E. Jones — G. C. White

L. W. HORNING, *Chairman.*

FOR THE EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN:

Brook Jones — J. J. Margeson
G. A. Andrews — M. L. Mellett
W. C. Gray — C. Caldwell
F. E. Penn — Paul M. Turner
C. W. Whitman — J. L. Wiggins
E. D. Hall — Herbert A. Ball
R. E. Tydings — R. B. Wilkins
Elgin Adams

D. B. ROBERTSON,
International President.

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT B:

M. C. Anderson — G. E. Mallery
E. J. Connors — T. Short
E. B. Herdman — J. J. Sullivan
S. C. Kirkpatrick

D. P. LOOMIS, *Chairman.*

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT C:

F. A. Burroughs — G. C. Howard
F. K. Day, Jr. — C. A. McRee
C. R. Hook, Jr.

W. S. BAKER, *Chairman.*

AGREEMENT B

The Agreement dated May 23, 1952, and identified as AGREEMENT "A", is hereby deferred of application and an interim agreement, identified as "INTERIM AGREEMENT," is substituted in lieu thereof.

The "INTERIM AGREEMENT" will remain in effect subject to termination on not less than three months' advance notice from the Brotherhood of Locomotive Firemen and Enginemen that they desire to place the five-day workweek agreement in effect on a railroad system or systems but the parties agree that the carriers are entitled to have six- and seven-day service performed at straight-time rates with reasonable regularity, and if it is claimed that the manpower situation is such that the adoption of the five-day workweek agreement would not permit this, the question of whether there is sufficient manpower available to permit the adoption of the five-day workweek shall be submitted for final decision to the nominee of the President of the United States.

Coincident with termination of such three months' advance notice, and in conformity with the preceding paragraph, the "INTERIM AGREEMENT" will be canceled and AGREEMENT "A" will become full effective.

Signed at Washington, D. C., this 23d day of May 1952.

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A:

F. J. Goebel — J. W. Oram
H. E. Jones — G. C. White

L. W. HORNING, *Chairman.*

FOR THE EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN:

Brook Jones — J. J. Margeson
G. A. Andrews — M. L. Mellett
W. C. Gray — C. Caldwell
F. E. Penn — Paul M. Turner
C. W. Whitman — J. L. Wiggins
E. D. Hall — Herbert A. Ball
R. E. Tydings — R. B. Wilkins
Elgin Adams

D. B. ROBERTSON,
International President.

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT B:

M. C. Anderson — G. E. Mallery
E. J. Connors — T. Short
E. B. Herdman — J. J. Sullivan
S. C. Kirkpatrick

D. P. LOOMIS, *Chairman.*

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT C:

F. A. Burroughs — G. C. Howard
F. K. Day, Jr. — C. A. McRee
C. R. Hook, Jr.

W. S. BAKER, *Chairman.*

AGREEMENT A

This agreement made this twenty-third day of May 1952, by and between the participating carriers listed in Exhibits A, B, and C, attached hereto and hereby made a part hereof and represented by Eastern, Western, and Southeastern Carriers' Conference Committees, and the employees shown thereon and represented by the Brotherhood of Locomotive Firemen and Enginemen through their conference committee.

Witnesseth:

WHEREAS on or about November 1, 1949, certain proposals were served on the carriers parties hereto by the Brotherhood of Locomotive Firemen and Enginemen on behalf of employees represented by that organization; and

WHEREAS on or about the same date certain proposals on behalf of the carriers parties hereto were served on the employees of said carriers represented by the Brotherhood of Locomotive Firemen and Enginemen:

Now, therefore, it is agreed:

ARTICLE 1—WAGE INCREASES

(*a*) Effective October 1, 1950, an increase of 18 cents per hour or $1.44 per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and, in consideration of other provisions of this agreement, a further increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and an increase of 5 cents per hour or 40 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in road service.

(*b*) Effective January 1, 1951, an increase of 2 cents per hour or 16 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and an increase of 5 cents per hour or 40 cents per day shall be added to the rates of

Engineers and Firemen, and Helpers on other than steam power, in road service.

(c) Effective March 1, 1951, an increase of 2 cents per hour or 16 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service and hostlers and outside hostler helpers and an increase of 2½ cents per hour or 20 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in road service.

(d) Upon the date of this agreement becomes effective as provided for in Agreement B, an additional 4 cents per hour or 32 cents per day shall be added to the rates of Engineers and Firemen, and Helpers on other than steam power, in yard service, and hostlers and outside hostler helpers.

(e) Yard rates shall apply to belt line, transfer, and yard service, or combinations thereof, effective October 1, 1950.

(f) The interim increase of 12½ cents per hour for yardmen, and 5 cents per hour for employees in road service, effective October 1, 1950, as provided in General Order No. 2, issued February 8, 1951 by Assistant Secretary of the Army Karl R. Bendetsen, shall be credited against the increases provided for in this Article 1.

(g) In application of increases provided for in paragraphs (a), (b), (c), and (d)—

1. All arbitraries, miscellaneous rates, or special allowances as provided in the schedules or wage agreements shall be increased under this agreement in proportion to the daily increase herein granted.

2. In determining new hourly rates, fractions of a cent will be disposed of by applying next higher quarter of a cent.

3. Mileage rates shall be determined by dividing the new daily rates by the miles constituting a basic day's work in the respective classes of service.

4. Daily earnings minima shall be increased by the amount of the respective daily increase.

5. Existing money differentials above existing standard daily rates shall be maintained.

6. In local freight service the same differential in excess of through freight rates shall be maintained.

ARTICLE 2—COST-OF-LIVING ADJUSTMENT

(a) A cost-of-living adjustment will be determined in accordance with changes in the "Consumers' Price Index for Moderate Income Families for Large Cities Combined"—"All Items" (1935–39=100) (Old Series)—as published by the Bureau of Labor Statistics, U. S. Department of Labor, and hereafter referred to as the BLS Consumers' Price Index. For the purpose of this computation an arbitrary base index of 178.0 is agreed to. The cost-of-living adjustment as hereinafter provided shall be made commencing April 1, 1951, and each 3 months thereafter based on the BLS Consumers' Price Index as of February 15, 1951 and the BLS Consumers' Price Index each third month thereafter as illustrated by the following table:

BLS Consumers' Price Index as of—	*Effective date of adjustment—first pay period on or after—*
February 15, 1951	April 1, 1951.
May 15, 1951	July 1, 1951.
August 15, 1951	October 1, 1951.
November 15, 1951	January 1, 1952.
February 15, 1952	April 1, 1952.
May 15, 1952	July 1, 1952.
August 15, 1952	October 1, 1952.
November 15, 1952	January 1, 1953.
February 15, 1953	April 1, 1953.
May 15, 1953	July 1, 1953.
August 15, 1953	October 1, 1953.

(*b*) The cost-of-living adjustment, when provided for, shall remain in effect to date of subsequent adjustment, as provided for in paragraph (*a*).

(*c*) Wage rates in effect March 1, 1951, plus the additional 4 cents per hour (32 cents per basic day) provided for in Article 1 (*d*) of this agreement, will not be reduced during the life of this agreement. However, such rates are subject to a cost-of-living adjustment in accordance with the following table; adjustments to be made on the dates as illustrated in paragraph (*a*):

BLS Consumers' Price Index	*Cost-of-living allowance*
178.0 and less than 179.0	None.
179.0 and less than 180.0	1 cent per hour (8 cents per basic day)
180.0 and less than 181.0	2 cents per hour (16 cents per basic day)
181.0 and less than 182.0	3 cents per hour (24 cents per basic day)
182.0 and less than 183.0	4 cents per hour (32 cents per basic day)

and so forth, with corresponding 1 cent per hour (8 cents per basic day) adjustment for each 1-point change in the index. The initial allowance of 1 cent per hour (8 cents per basic day) made when the index reaches 179.0 will not be eliminated unless the index reaches 178.0 or less.

Examples

If the BLS Consumers' Price Index as of February 15, 1951, should be 179.0 and less than 180.0, 1 cent per hour (8 cents per basic day) shall be added effective April 1, 1951, as a cost-of-living adjustment; if such index as of May 15, 1951, should be 178.0 or less, then effective July 1, 1951, the cost-of-living adjustment established under this example will be eliminated.

If the BLS Consumers' Price Index as of February 15, 1951, should be 180.0 and less than 181.0, 2 cents per hour (16 cents per basic day) shall be added effective April 1, 1951, as a cost-of-living adjustment; if such index as of May 15, 1951, should be 179.0 and less than 180.0, then effective July 1, 1951, the cost-of-living adjustment established under this example will be reduced by 1 cent per hour (8 cents per basic day).

The cost of living adjustment will be applied as a wage increase or a wage reduction in the same manner as the wage increase provided for in article 1 hereof.

(*d*) In the event the Bureau of Labor Statistics does not issue the specified BLS Consumers' Price Index on or before the effective dates specified in paragraph (*a*), the cost-of-living adjustment will become effective on the first day of the pay period during which the index is released.

(*e*) No adjustments, except as provided in paragraph (*f*), shall be made because of any revision which may later be made in the published figures of the BLS Consumers' Price Index for any base month.

(*f*) The parties to this agreement agree that the continuance of the cost-of-living adjustment is dependent upon the availability of the official monthly BLS Consumers' Price Index in its present form and calculated on the same basis as the Index for August 15, 1950, except that, if the Bureau of Labor Statistics, U. S. Department of Labor, should during the effective period of this agreement revise or change the methods or basic data used in calculating the BLS Consumers' Price Index in such a way as to affect the direct comparability of such revised or changed index with the index for August 15, 1950, then that Bureau shall be requested to furnish a conversion factor designed to adjust to the new basis the base index of 178.0 described in paragraph (*a*) hereof, and the several indexes listed in paragraph (*c*) hereof.

(*g*) The parties agree that this article 2 shall remain in effect until October 1, 1953, and thereafter subject to change under the provisions of the Railway Labor Act as amended.

ARTICLE 3.—5-DAY WORKWEEK

SECTION 1

(*a*) Beginning on the date this article 3 becomes effective on any carrier, such carrier will establish for engineers and firemen, and helpers on other than steam power, in yard, transfer, and belt line service, or combinations thereof, and hostlers and hostler helpers, represented by the Brotherhood of Locomotive Firemen and Enginemen, a workweek of 5 basic days. Except as otherwise provided in this article 3, the workweek will consist of 5 consecutive days with 2 days off in each 7. The foregoing workweek rule is subject to all other provisions of this agreement.

(*b*) The designated officer or officers on each railroad and the representative or representatives designated by the Brotherhood will meet and agree on details and methods for rebulletining and reassigning jobs to conform with the 5-day week. After all intial changes have been made to place the 5-day week in effect, subsequent changes will be made in accordance with agreements on the individual railroads.

SECTION 2

The term "workweek" for regularly assigned employees shall mean a week beginning on the first day on which the assignment is bulletined to work.

SECTION 3

(*a*) When service is required by a carrier on the designated off days of a regular assignment it may be performed by other regular assignments, by regular relief assignments, by a combination of regular and regular relief assignments, or by extra employees when not protected in the foregoing manner. (This does not disturb rules or practices on roads involving the use of emergency men or unassigned employees.) Where regular relief assignments are established, they shall, except as otherwise provided in this agreement, have 5 consecutive days of work, designated days of service, and definite starting times on each shift within the time periods specified in the starting time rules. They may on diffeernt days, however, have different starting times within the periods specified in the starting-time rules, and have different points for going on and off duty within the same seniority district which shall be the same as those of the employee or employees they are relieving.

(*b*) Where regular relief assignments cannot be established for 5 consecutive days on the same shift within the time periods specified in the starting-time rules, as provided for in section 3 (*a*), such assignments may be established for 5 consecutive days with different starting times on different shifts on different days, within the time periods specified in the starting time rules, and on different days may have different points for going on and off duty in the same seniority district which shall be the same as those of the employee or employees they are relieving.

(*c*) After the starting times and days of service have been established, changes therein may be made only in accordance with agreements on individual railroads.

(*d*) Rules providing for assignments of crews "for a fixed period of time which shall be for the same hours daily" will be relaxed only to the extent provided in (*a*) and (*b*) of this section 3.

(*c*) Except as otherwise provided for in this section 3, regular relief assignments shall be established in conformity with rules in agreements or practices in effect on individual properties governing starting times and bulletining of assignments, and when so established may be changed thereafter only in accordance with agreements on the individual railroads.

SECTION 4

(*a*) *Accumulation.*—Agreements may be made on the individual properties to provide for the accumulation of off days over a period not to exceed 5 consecutive weeks.

(*b*) *Days Off.*—In cases where off day (or days) is to be filled which cannot be made a part of a regular assignment at an outlying or small yard and there are no extra men at the point, by agreement between representatives of the carrier and the organization, such day or days may be filled by using the regular men and be paid for at straight-time rate.

(*c*) *Nonconsecutive days.*—Subject to sections 1 and 3 of this article 3, if the representatives of the parties fail to agree upon the establishment of nonconsecutive off days at any point, the carrier may nevertheless establish nonconsecutive off days subject to the right of the employees to process the dispute as a grievance or claim under the rules agreement.

SECTION 5—REGULAR EMPLOYEES

(*a*) Existing rules which relate to the payment of daily overtime for regular assigned employees and practices thereunder are not changed hereby and shall be understood to apply to regular assigned relief men, except that work performed by regular assigned relief men on their regular relief assignments shall be paid for at the straight-time rate.

(*b*) Regular assigned yard and hostling service employees worked as such more than five straight-time, 8-hour shifts in a workweek shall be paid one and one-half times the basic straight-time rate for such excess work except:

(1) As provided in section 4 (*a*) and (*b*);

(2) When changing off where it is the practice to work alternately days and nights for certain periods;

(3) When working through two shifts to change off;

(4) Where exercising seniority rights from one assignment to another;

(5) Where paid straight-time rates under existing rules or practices for a second tour of duty in another grade or class of service.

In the event an additional day's pay is paid to an employee for other service performed or started during the course of his regular tour of duty, such additional day will not be utilized in computing the five straight-time, 8-hour shifts referred to in this paragraph (*b*).

(*c*) There shall be no overtime on overtime; neither shall overtime hours paid for, nor time paid for work referred to in paragraph (*b*) of this section 5, be utilized in computing the five straight-time, 8-hour shifts referred to in such paragraph (*b*) of this section 5, nor shall time paid for in the nature of arbitraries or special allowances such as attending court, inquests, investigations, examinations, deadheading, etc., be utilized for this purpose, except when such payments apply during assigned working hours in lieu of pay for such hours. Existing rules or practices regarding the basis of payment of arbitraries or special allowances and similar rules are not affected by this agreement.

(*d*) No tour of duty in road service, or service under two agreements, shall be utilized in computations leading to overtime, or in determining the number of workdays, under this article 3.

SECTION 6—EXTRA EMPLOYEES

(*a*) Existing rules which relate to the payment of daily overtime for extra employees and practices thereunder are not changed hereby. Any shift in yards and hostling service in excess of 11 straight-time shifts in yard and hostling service in a semimonthly period will be paid for at time and one-half rate.

NOTE:—It is recognized that the carrier is entitled to have an extra employee work 11 straight-time shifts in yard and hostling service in a semimonthly period without regard to overtime shifts which may be worked under provisions of the Agreement of August 1, 1948. Extra men who have worked 11 straight-time shifts in yard and hostling service in a semimonthly period will, unless otherwise agreed to upon the individual property, remain on the extra board, but will not be used in yard and hostling service during the remainder of that period if other extra men are available who can work in such service at the straight-time rate.

(*b*) In the event an additional day's pay is paid to an extra employee for other service performed or started during the course of his tour of duty in yard or hostling service, such additional day will not be utilized in computing the 11 straight-time shifts referred to in paragraph (a) of this section.

(*c*) The principles outlined in section 5 (*c*) and (*d*) shall be applicable to extra employees in the application of this section 6.

SECTION 7

Beginning on the date the 5-day workweek becomes effective on any carrier, the Vacation Agreement dated April 29, 1949, effective July 1, 1949, shall be amended as to such carrier to provide the following insofar as yard service employees and employees having interchangeable yard and road rights covered by said agreement, who are represented by the Brotherhood of Locomotive Firemen and Enginemen, are concerned.

NOTE.—The amendments to such Vacation Agreement made by this section 7 as applicable to yard service shall apply to yard, belt line, and transfer service, and combinations thereof, and to hostling service.

Section 1 (*a*)–*1* (*b*). Add:

In the application of section 1 (*a*) and 1 (*b*), each basic day in yard service performed by a yard service employee or by an employee having interchangeable yard and road rights shall be computed as 1.2 days for purposes of determining qualifications for vacation.

Qualifying years accumulated, also qualifying requirements for years accumulated for extended vacations, prior to the calendar year in which the 5-day workweek becomes effective, shall not be changed.

Section 1 (*d*). And "Note":

The 60 and 30 calendar days referred to herein shall not be subject to the 1.2 computation provided for in sections 1 (*a*) and 1 (*b*).

Section 2 (*a*). Add:

Yard Service

An employee receiving 1 week's vacation, or pay in lieu thereof, under section 1 (*a*) shall be paid ½ of the compensation earned by such employee, under schedule agreements held by the organizations signatory to the Vacation Agreement effective July 1, 1949, on the carrier on which he qualified under section 1 (or carriers in case he qualified on more than one carrier under section 1 (*f*)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than five minimum basic days' pay at the rate of the last service rendered.

Combination of Yard and Road Service

An employee having interchangeable yard and road rights receiving 1 week's vacation, or pay in lieu thereof, under section 1 (*a*) shall be paid 1/52 of the compensation earned by such employee, under schedule agreements held by the organizations signatory to the Vacation Agreement effective July 1, 1949, on the carrier on which he qualified under section 1 (or carriers in case he qualified on more than one carrier under section 1 (*f*)) during the calendar year preceding the year in which the vacation is taken: *Provided*, That, if the vacation is taken during the time such employee is working in road service such pay shall be not less than six minimum basic days' pay at the rate of the last road service rendered, and if the vacation is taken during the time such employee is working in yard service, such pay shall be not less than five minimum basic days' pay at the rate of the last yard service rendered.

Section 2 (*b*). Add:

Yard Service

An employee receiving 2 weeks' vacation, or pay in lieu thereof, under section 1 (*b*) shall be paid 1/26 of the compensation earned by such employee, under schedule agreements held by the organizations signatory to the Vacation Agreement effective July 1, 1949, on the carrier on which he qualified under section 1 (or carriers in case he qualified on more than one carrier under section 1 (*f*)) during the calendar year preceding the year in which the vacation is taken, but in no event shall such pay be less than 10 minimum basic days' pay at the rate of the last yard service rendered.

Combination of Yard and Road Service

An employee having interchangeable yard and road rights receiving 2 weeks' vacation, or pay in lieu thereof, under section 1 (*b*) shall be paid 1/26 of the compensation earned by such employee, under schedule agreements held by the organizations signatory to the Vacation Agreement effective July 1, 1949, on the carrier on which he qualified under section 1 (or carriers in case he qualified on more than one carrier under section 1 (*f*)) during the calendar year preceding the year in which the vacation is taken: *Provided*, That, if the vacation is taken during the time such employee is working in road service such pay shall be not less than 12 minimum basic days' pay at the rate of the last road service rendered, and if the vacation is taken during the time such employee is working in yard service such pay shall not be less than 10 minimum basic days' pay at the rate of the last yard service rendered.

Section 9. Add:

With respect to yard service employees, and with respect to any yard service employee having interchangeable yard and road rights who receives a vacation in yard service, such additional vacation days shall be reduced by one-sixth.

General

Except to the extent that the Vacation Agreement effective July 1, 1949, is changed by this article 3, the said Vacation Agreement, as well as the Memorandum of Understanding of April 20, 1949, shall remain in full force and effect.

SECTION 8

Existing weekly or monthly guarantees in yard or hostling service producing more than 5 days per week shall be modified to provide for a guarantee of 5 days per week. Nothing in this article 3 shall be construed to create a guarantee where none now exists.

SECTION 9

(*a*) All regular or regular relief assignments for engineers and firemen, and helpers on other than steam power, in yard, transfer, and belt line service, or combinations thereof, and hostlers and hostler helpers, represented by the Brotherhood of Locomotive Firemen and Enginemen, will be for a workweek of 5 basic days. Except as otherwise provided in this article 3, the workweek will consist of 5 consecutive days with 2 days off in each 7. The foregoing workweek rule is subject to all other provisions of this agreement.

(*b*) An employee on a regular or regular relief assignment who takes another regular or regular relief assignment, will take the conditions of that assignment, but if this results in the employee working more than 5 days in the period starting with the first day of his old workweek and ending with the last day of his new workweek, such day or days will be paid at straight-time rate.

(*c*) A regular assigned employee in yard and hostling service, who under schedule rules goes on an extra board, may work on a board for the remainder of the semimonthly period, provided the combined days worked in yard and hostling service on the regular assignment and an extra board do not exceed 11 straight-time days. He will then be subject to the "Note" under section 6 of this article 3.

(*d*) An employee who leaves an extra board for a regular or regular relief assignment will take the conditions of his new assignment at straight-time rate, without regard to the number of days he may have worked on an extra board.

(*e*) Except as provided in paragraphs (*b*), (*c*), and (*d*) of this section, and excluding the exceptions from the computations provided for in section 5, paragraphs (*b*) and (*c*)—

Regular employees will not be permitted to work more than five straight-time, 8-hour shifts in a workweek,

Extra employees will not be permitted to work more than 11 straight-time, 8-hour shifts in a semimonthly period

in service covered by this article 3.

SECTION 10

(*a*) The provisions of this article 3 applicable to yard service shall apply to yard, belt line, and transfer service, and combinations thereof.

(*b*) None of the provisions of this article 3 relating to starting time shall be applicable to any classification of employees included within this article 3 which is not now subject to starting time rules.

SECTION 11

Existing rules and practices, including those relating to the establishment of regular assignments, the establishment and regulation of extra boards and the operation of working lists, etc., shall be changed or eliminated to conform to the provisions of this article 3 in order to implement the operation of the reduced workweek on a straight-time basis pursuant thereto.

SECTION 12

The parties hereto having in mind conditions which exist or may arise on individual carriers in the application of the 5-day workweek agree that the duly

authorized representative of the employees, party to this agreement, and the officer designated by the carrier, may enter into additional written understandings to implement the purposes of this article 3.

ARTICLE 4—INTERDIVISIONAL, INTERSENIORITY DISTRICT, INTRADIVISIONAL, AND/OR INTRASENIORITY DISTRICT SERVICE (FREIGHT OR PASSENGER)

Where a carrier desires to establish interdivisional, interseniority district, intradivisional, or intraseniority district runs in passenger or freight service, the carrier shall give notice to the General Chairman of the organizations involved of its desire to establish such runs, giving detailed information specifying the service it proposes to establish and the conditions, if any, which it proposes shall govern the establishment of such service, the purpose being to furnish the employees with all the necessary information.

The parties will negotiate in good faith on such proposals and failing to agree, either party may invoke the services of the National Mediation Board. If mediation fails and the parties do not agree to arbitrate the dispute under the Railway Labor Act, then at the request of either party, the proposal will be considered by a National Committee consisting of the chiefs of the employee organizations involved and an equal number of carrier representatives who shall be members of the Carriers' Conference Committees, signatories hereto, or their successors or representatives, provided, however, that this procedure of appeal to the National Committee thus created shall not be made in any case for a period of 6 months from the date of this agreement.

If said National Committee does not agree upon the disposition of the proposal, then the conferees will in good faith undertake to agree upon a neutral chairman who will sit with the Committee, hear the arguments of the parties, and make representations and recommendations to the parties with the view in mind of disposing of the controversy. In the event the parties do not agree upon such neutral chairman, then upon the request of the parties, or either of them, the National Mediation Board will appoint the chairman.

While the recommendations of the Chairman are not to be compulsory or binding as an arbitration award, yet the parties hereto affirm their good intentions of arranging through the above procedure for the final disposition of all such disputes on a fair and reasonable basis.

Every effort will be made to settle disputes over interdivisional service on the property and thus to minimize the number of appeals to the above National Committee.

This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 5—MORE THAN ONE CLASS OF ROAD SERVICE

The dispute as to this rule shall be submitted to arbitration. The arbitrators shall have the right to consider whether or not any rule covering more than one class of road service should be granted, and if so, the language of such rule.

Each party shall designate the exact questions, conditions, or issues relating to such rule which it desires to submit to arbitration, and same shall constitute the questions to be submitted to arbitration.

The Board of Arbitration shall be composed of three members, one appointed by the Chairmen of the three Carriers' Conference Committees; one by the organization or organizations executing this agreement. The arbitrators selected by the parties shall in good faith endeavor to agree on the neutral arbitrator, and failing therein, said neutral shall be appointed by the President of the

United States. Procedures, including time limits within which all actions provided for herein are to be taken, shall be according to the forms, procedures, and stipulations contained in the Railway Labor Act, as amended.

The arbitration proceedings shall be commenced on or before August 12, 1952.

ARTICLE 6—SWITCHING SERVICE FOR NEW INDUSTRIES

(*a*) Where, after the effective date of this agreement, an industry desires to locate outside of existing switching limits at points where yard crews are employed, the carrier may assure switching service at such location even though switching limits be not changed, and may perform such service with yard crews from a yard or yards embraced within one and the same switching limits without additional compensation or penalties therefor to yard or road crews, provided the switch governing movements from the main track to the track or tracks serving such industry is located at a point not to exceed 4 miles from the then existing switching limits. Road crews may perform service at such industry only to the extent they could do so if such industry were within switching limits. Where rules require that yard limits and switching limits be the same, the yard limit board may be moved for operating purposes but switching limits shall remain unchanged unless and until changed in accordance with rules governing changes in switching limits.

The yard engineer-fireman or yard engineers-firemen involved shall keep account of and report to the carrier daily on form provided the actual time consumed by the yard crew or crews outside of the switching limits in serving the industry in accordance with this rule and a statement of such time shall be furnished the BLF & E General Chairman or General Chairmen representing yard and road engineers-firemen by the carrier each month. The BLF & E General Chairman or General Chairmen involved may at periodic intervals of not less than 3 months designate a plan for apportionment of time whereby road engineers-firemen from the seniority district on which the industry is located may work in yard service under yard rules and conditions to offset the time consumed by yard crews outside the switching limits. Failing to arrange for the apportionment at the indicated periods they will be understood to have waived rights to apportionment for previous periods. Failure on the part of employee representatives to designate an apportionment, the carrier will be under no obligation to do so and will not be subject to claims.

(*b*) This rule shall in no way affect the servicing of industries outside yard or switching limits at points where no yard crews are employed.

(*c*) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

ARTICLE 7—CHANGING SWITCHING LIMITS

(*a*) Where an individual carrier not now having the right to change existing switching limits where yard crews are employed, considers it advisable to change the same, it shall give notice in writing to the General Chairman or General Chairmen of such intention, specifying the changes it proposes and the conditions, if any, it proposes shall apply in event of such change. The carrier and the General Chairman or General Chairmen shall, within 30 days, endeavor to negotiate an understanding.

In the event the carrier and the General Chairman or General Chairmen cannot so agree on the matter, any party involved may invoke the services of the National Mediation Board.

If mediation fails, the parties agree that the dispute shall be submitted to arbitration under the Railway Labor Act, as amended. Upon such failure of mediation, the carrier shall designate the exact questions or conditions it desires to submit to arbitration and the General Chairman or General Chairmen shall designate the exact questions or conditions such General Chairman or General Chairmen desire to submit to arbitration. Such questions or conditions shall constitute the questions to be submitted to arbitration.

The arbitrators selected by the parties shall in good faith endeavor to agree on the neutral arbitrator or arbitrators in accordance with the provisions of the Railway Labor Act, as amended. In the event they fail to agree, the neutral arbitrator or arbitrators shall be appointed by the National Mediation Board, all in accordance with the provisions of the Railway Labor Act, as amended. The jurisdiction of the Arbitration Board shall be limited to the questions submitted to it. The award of the Board shall be final and binding upon the parties.

(*b*) This rule shall in no way affect the changing of yard or switching limits at points where no yard crews are employed.

(*c*) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

Article 8—Reporting for Duty

(*a*) In assigned road service where under existing rules employees report for duty without being notified or called and it is desired on any day to defer the reporting time, advance notice shall be given not less than the usual advance calling time for reporting for duty at each terminal and in accordance with usual calling practices at such terminal. The employee shall be notified at such time when he is to report and only one such deferment may be made. In such cases the time of the trip or tour of duty shall begin at the time the employee is required in accordance with said notice of change to report for duty. If not so notified, the reporting time shall be as provided in the assignment.

(*b*) Where employees are notified by call of time at which to report, existing rules or practices are not changed or affected by this rule.

(*c*) This rule shall become effective August 1, 1952, except on such carriers as may elect to preserve existing rules or practices and so notify the authorized employee representatives on or before July 1, 1952.

Article 9—Approval

This agreement is subject to approval of the courts with respect to carriers in the hands of receivers or trustees.

This agreement is subject to such approval as may be necessary under the terms of the executive order by the President of the United States taking over the railroads and the laws of the United States pertaining to stabilization of prices, wages, etc.

Article 10—Moratorium

No proposals for changes in rates of pay, rules, or working conditions will be initiated or progressed by the employees against any carrier or by any carrier against its employees, parties hereto, within a period of 3 years from October 1, 1950, except such proposals for changes in rules or working conditions which

may have been initiated prior to June 1, 1950: *Provided, however*, That if Government wage stabilization policy permits so-called annual improvement wage increases, the parties may meet with the President of the United States, or such other person as he may designate, on or after July 1, 1952, to discuss whether or not further wage adjustments for employees covered by this agreement are justified, in addition to increases received under the cost-of-living formula. At the request of either party for such a meeting, the President or his representative shall fix the time and place for such meeting. The President or his representative and the parties may secure information from the wage stabilization authorities or other Government agencies. If the parties are unable to agree at such conferences whether or not further wage adjustments are justified, they shall ask the President of the United States to appoint a referee who shall sit with them and consider all pertinent information, and decide promptly whether further wage increases are justified and, if so, what such increases should be, and the effective date thereof. The carrier representatives shall have one vote, the employee representatives shall have one vote, and the referee shall have one vote.

The foregoing will not debar management and committees on individual railroads from mutually agreeing upon changes in rates, rules, and working conditions of employees covered by this agreement; nor does it bar committees of the organization from service of notice to change mileage limitations on individual properties.

ARTICLE 11—DISPUTES COMMITTEE

Any dispute arising between parties to this agreement in connection with the revision of individual agreements so as to make them conform to this agreement shall be referred jointly, or by either party, for decision to a committee, the carrier members of which shall be three members of the Carriers' Conference Committees, signatories hereto, or their successors, and the employee members of which shall be three representatives selected by the organization signatory hereto.

In the event the Committee is unable to reach a decision with respect to any such disputes, a neutral referee shall be selected by the members of the Committee, to sit with the Committee and act as a member thereof.

If a majority of the Committee is unable to agree upon the selection of a neutral referee, any three members of the Committee may request the National Mediation Board to appoint such neutral referee.

Decisions of a majority of all the members of the Committee shall be final and binding upon the parties to any dispute in which a decision may be rendered.

ARTICLE 12

This agreement is in full and final settlement of the dispute growing out of notices served by the employees, parties hereto, and by the carriers, parties hereto, on or about November 1, 1949, in accordance with section 6 of the Railway Labor Act, of intended changes in agreements affecting rates of pay, rules and working conditions.

ARTICLE 13

This agreement shall be construed as a separate agreement by and on behalf of each carrier party hereto and those employees represented by the Brotherhood of Locomotive Firemen and Enginemen as heretofore stated; and shall remain in effect until September 30, 1953, and thereafter, subject to notices served in accordance with section 6 of the Railway Labor Act, as amended.

Signed at Washington, D. C., this 23d day of May 1952.

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT A:

F. J. Goebel
J. W. Oram
H. E. Jones
G. C. White

L. W. HORNING, *Chairman.*

FOR THE EMPLOYEES REPRESENTED BY THE BROTHERHOOD OF LOCOMOTIVE FIREMEN AND ENGINEMEN:

Brook Jones
J. J. Margeson
G. A. Andrews
M. L. Mellett
W. C. Gray
C. Caldwell
F. E. Penn
Paul M. Turner
C. W. Whitman
J. L. Wiggins
E. D. Hall
Herbert A. Ball
R. E. Tydings
R. B. Wilkins
Elgin Adams

D. B. ROBERTSON,
International President.

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT B:

M. C. Anderson
G. E. Mallery
E. J. Connors
T. Short
E. B. Herdman
J. J. Sullivan
S. C. Kirkpatrick

D. P. LOOMIS, *Chairman.*

FOR THE PARTICIPATING CARRIERS LISTED IN EXHIBIT C:

F. A. Burroughs
G. C. Howard
F. K. Day, Jr.
C. A. McRee
C. R. Hook, Jr.

W. S. BAKER, *Chairman.*

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