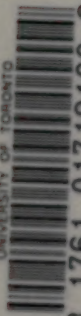


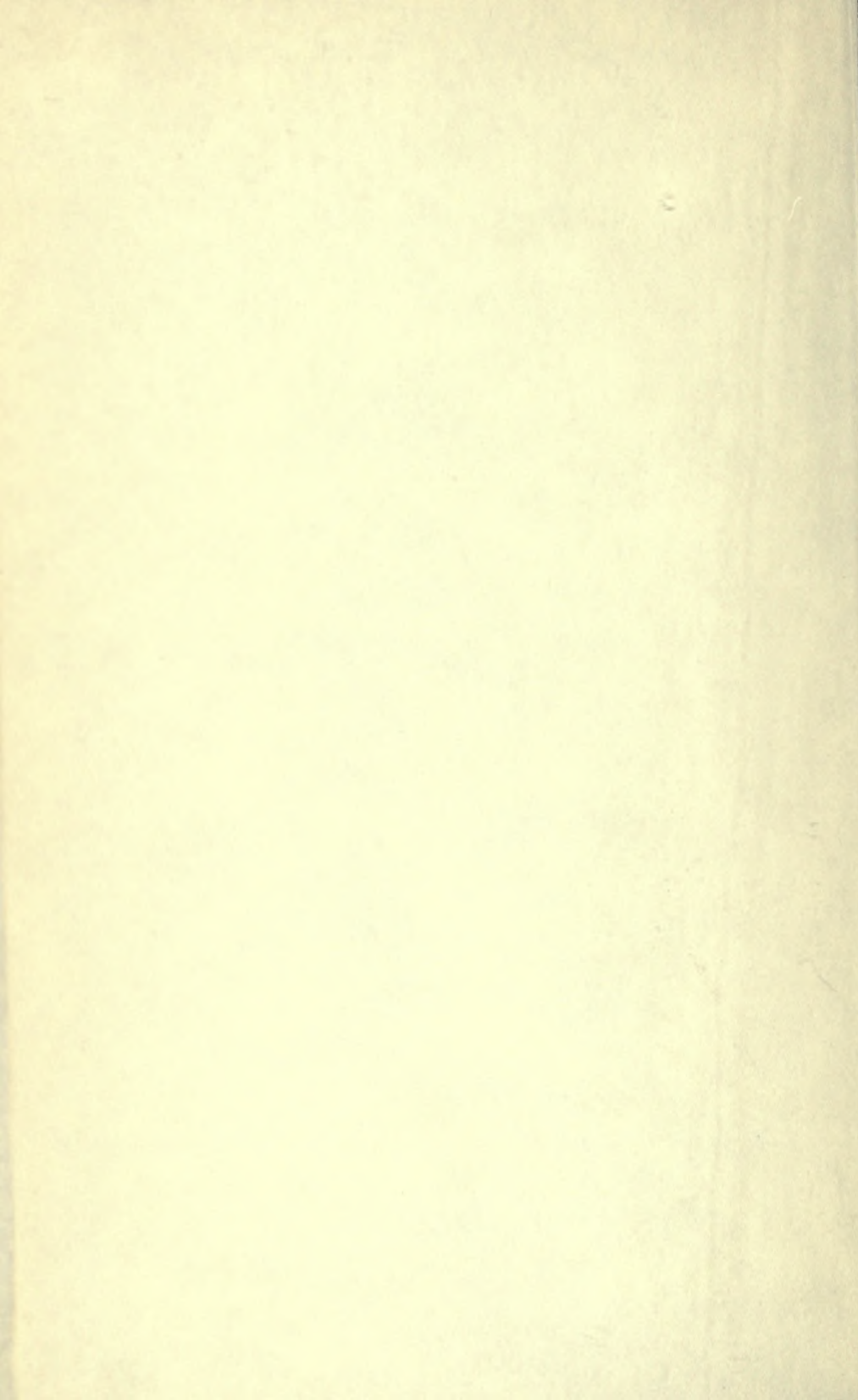
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RAILWAY CONDUCTORS

A Study in Organized Labor

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BY

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PART I
HISTORY AND GOVERNMENT

CHAPTER I

INTRODUCTION

THE railroad industry of the United States has been from its inception an object of peculiar interest to the public. Nearly every phase of its activities has now come to be a subject for state or federal legislation. One of the latest developments of this policy of supervision has to do with the relations between the railway and its employees.

In the early days of railroading questions arising between master and man were of little public concern. The men were hired individually and differences of opinion between them and the company were settled individually. Concerted movement among the men in such cases was unknown. With the growth of powerful trade unions among railroad employees, however, the situation has materially changed. By means of their power to strike, reinforced by well-planned systems of federation between the various unions, the organized employees have come to occupy a position of great strategic strength. Thus a threatened strike in the summer of 1913 would have tied up, had it occurred, roads comprising 25 per cent of the total trackage, and representing nearly 40 per cent of the aggregate revenues of all the railroads in the United States. Nearly 40,000,000 people would have been deprived of the means of transportation for themselves, their goods and the very necessities of life.

The possibility of such an interruption of an industry upon which all depend has caused so much apprehension

that Congress has from time to time enacted measures aiming to induce the companies and the men to settle their differences peaceably. The latest feature of this legislation is the creation of a National Board of Mediation and Conciliation to deal specifically with these railroad problems. Attention is also being drawn to the railroad brotherhoods, and their acts are coming to be more closely scrutinized every year. The history of these unions, with their aims and purposes, has thus become a topic of public interest.

Organization among railroad employees did not begin until after 1860. The engineers were first in the field, forming, in 1863, the Brotherhood of the Footboard. A year later this name was changed to the Brotherhood of Locomotive Engineers, the title by which the union is still known. Five years later the conductors formed the organization which was eventually to develop into the Order of Railway Conductors of America. The Brotherhood of Locomotive Firemen and Enginemen was formed in 1873, and the Brotherhood of Railroad Trainmen in 1883. Subsequently unions were started among other railway employees, including the switchmen, carmen, trackmen, machinists and telegraphers, but no one of these organizations has attained the degree of power and prestige enjoyed by the four principal unions.

These four brotherhoods have important features in common :

1. Each union includes practically all the men employed in its field. The Trainmen, with 134,000 members; the Engineers, with 73,000; the Firemen, with 91,000, and the Conductors, with 49,000, comprise respectively 65 per cent, 90 per cent, 75 per cent, and 90 per cent of all the men in these four occupations employed by the steam railroads of the country.

2. The work of conductors, engineers, firemen and train-

men is similar in many respects. It requires physical endurance, mental alertness and a capacity for responsibility unusual in ordinary industrial pursuits. An apprenticeship of several years is required for proficiency in any of these four lines of work. This condition, combined with the responsibility devolving on the railroad for the safe transport of passengers and goods, makes it exceedingly difficult for a company to fill the places of these employees in case of a strike or lockout. So unique, in fact, is the position of the four railway brotherhoods in this regard, that they have persistently refused to affiliate themselves with any of the larger labor federations, such as the American Federation of Labor, on the ground that such an alliance would be of little benefit, while it might embroil them in needless sympathetic strikes and boycotts.

3. Each of the four unions has extended its jurisdiction throughout the entire continent, and has been successful in withstanding the encroachments of rival organizations both in the United States and Canada.

4. All four unions deprecate the use of the sympathetic strike, and are advocates of the open shop; that is, they do not insist upon the exclusive employment of union members.

5. In addition to trade activities proper, much emphasis is placed by them on fraternal and benevolent features, all conducting life-insurance associations for the benefit of their members.

The present monograph is confined to the Order of Railway Conductors. It is intended neither as a denunciation nor as a eulogy of that organization. It is not even a criticism. Rather, it is a recital of facts, giving the aims, purposes, and activities of the Order, based upon official records, and supplemented by such explanation as has seemed

necessary to connect the study with the problem of organized labor as a whole. Many questions which would find a proper place in a more comprehensive survey of railroad conditions have been purposely omitted.

This study has naturally divided itself into three parts: (1) history and form of organization, (2) trade-regulating activities, (3) beneficiary features:

1. While many facts in the history of the Order, its form of organization, and its relation to other brotherhoods are common to all trade unions, others relate specifically to the conductors. Thus it should be noted that the Order did not begin as a labor organization, but essentially as a temperance and benevolent society in which fraternal and ritualistic features were emphasized. Not only did it resist for over twenty years every effort of an active minority to precipitate the organization into labor controversies, but so emphatic was its opposition to strikes that up to 1890 members engaging in them were expelled. After a struggle, the Order developed into a highly efficient trade union in which much time, effort and money are devoted to trade-regulatory functions. In its external relations, also, the Order has broadened its activities. The growth of federations indicate unmistakably the development of class consciousness among the brotherhoods and the gradual elimination of petty jealousy and bickering, which in the early years did much to weaken the power of organized labor in the railroad industry.

2. Part II discusses trade regulations and the means by which they are enforced. In it the development of a standard rate of pay, uniform hours of service and similar conditions of work is traced somewhat in detail. The "Present-Day Arguments for and against Increased Wages" are given primarily to acquaint the reader with what the union and the railroads consider the pivotal points in the wage

controversy. Then follows a description of the elaborate machinery to enforce trade agreements with the roads. Beginning with the simplest forms of negotiation, methods have been extended to include mediation, arbitration, strikes and legislation. The facts that the Order has utilized these complicated means, that it has even favored Congressional legislation to encourage mediation and arbitration, and that it is constantly resorting to legislation rather than to strikes, substantiate the view now widely held that the railway brotherhoods have in reality been agencies making for industrial peace in the railway world.

3. The third division of this monograph is concerned with the beneficiary activities of the Order. It includes an account of the establishment of a system of mutual life insurance, with a description of the insurance department as it exists to-day. Other mutual benefits make provision for the sick, the indigent and the infirm. In recent years there has been a tendency to transfer all such relief from the local unions to the national body, which to-day not only maintains a general relief fund and a special fund for the families of insane conductors, but is considering the establishment of a system of old-age pensions, and the adoption of a plan of accident insurance. Much assistance also, especially in case of sickness, is given by the Ladies' Auxiliary to the Order.

The writer was attracted to the subject of the "Railway Conductors" by a realization of their growing importance and influence, and of a desire on the part of the public to become conversant with their aims and purposes. Notwithstanding their recognized importance in the history of American trade-unionism, no one of the brotherhoods has up to the present time been made the subject of scientific investigation. In compiling data for the monograph, the writer has had access to all of the official records, both printed and unprinted.

The work was undertaken and completed under the supervision of Dr. Henry R. Seager, Professor of Economics in Columbia University. Invaluable assistance has been given by President A. B. Garretson of the Order, who has shown a kindly interest in the work at every stage. The writer is also under obligation to Charles E. Wilkins, Chief Clerk in the office of President Garretson, for help in verifying a mass of detail; to Hon. John H. Finley, for the use of material presented before the Board of Arbitration in the controversy between the Eastern Railroads and Conductors and Trainmen in 1913; and to Hon. E. E. Clark, Chairman of the Interstate Commerce Commission and formerly Grand Chief Conductor of the Order, for reading and correcting parts of the manuscript.

CHAPTER II

FORMATION AND GROWTH

THE first well-authenticated instance of organization among conductors on American railroads took place in the spring of 1868, when the men on the Illinois Central Railroad formed "The Conductors' Union" at Amboy, Ill.¹ Favorable reports of this organization reached the conductors of the Chicago, Burlington and Quincy Railroad, and in June of the same year twelve men so employed met at Galesburg, Ill., and effected the "Galesburg Division No. 2 of the Conductors' Union." A constitution and by-laws were adopted, officers elected, and a committee named to confer with the division at Amboy relative to uniting the interests of the two lodges.²

This proposal being favorably received at Amboy, it was agreed that three representatives from each union should meet at Mendota, Ill., on July 6. These six men decided that the interests of the two societies would best be served by the formation of a central body. Accordingly, they adopted a constitution and by-laws and elected Grand Officers for the "Conductors' Union," an organization which

¹ Preface to *Proceedings of the First Regular Session of the Conductors' Brotherhood*, 1869, p. 1.

Hereafter the annual sessions are referred to as *Proceedings*.

² The accounts of these first meetings are taken from a brief history compiled by W. P. Daniels in 1888 at the request of the Grand Division of the Order of Railway Conductors. The information was secured through correspondence and interviews with men living at that time who had actively participated in founding the organization.

should have power to form locals. The lodges already existing at Amboy and Galesburg were immediately designated as Divisions No. 1 and No. 2, respectively, and by the end of September two additional locals had been established.¹

Evidently the time was ripe for a movement of this kind, for in the following November, conductors on the Pittsburgh, Fort Wayne and Chicago Railroad addressed a circular "To All the Railroad Conductors in the United States and British Provinces," requesting their attendance at a convention in Columbus, O., on December 15, for the purpose of "forming a Brotherhood of Conductors." This meeting was in no way a rival of the one previously held at Mendota, but merely a broader expression of the idea which had there been promulgated. Representatives from the earlier body participated in the work of the Columbus meeting, which is usually referred to as the "Reorganization Convention."²

The first annual convention was held at Chicago in June, 1869.³ Little can be learned from the meagre records, except that a representative from a "Conductors' Association of the New York and Erie Railway" was present and sought admittance to the convention, asking also that his association might be consolidated with the Brotherhood. He was admitted to membership but the records say nothing about the proposed consolidation. It is interesting to note, however, that the convention adjourned to meet in October at Buffalo, N. Y., which was in the territory logically belonging to the Association.

¹ Shortly after the organization of these four locals, the Grand Secretary was killed and the records which he had in charge at the time were lost.

² *Proceedings, 1869, p. 4.*

³ At this convention the name of the organization was changed to the "Conductors' Brotherhood."

A third convention was held in 1870, and annual meetings thereafter until 1891, when a biennial plan was adopted. In 1913 triennial conventions were instituted.¹ In 1878 the name of the Brotherhood was changed to the "Order of Railway Conductors of America," by which title it is still known.²

For a number of years the national headquarters was officially located at Elmira, N. Y., although the business of the Order was so light and the records so meagre that the offices in reality were, as one writer expresses it, "located in the pockets of the Grand Officers and followed them wherever they went."³ In 1878 a member living in Cedar Rapids, Ia., was elected Grand Secretary and Treasurer. As most of his work was done in his "lay-over" hours at Cedar Rapids, he moved his records there. By 1884, the Order having become so large that it was deemed expedient to have all the Grand Officers in the same city, it was decided to make Cedar Rapids the headquarters. Two years later the offices were moved to Chicago,⁴ but when, in 1887, it was decided to incorporate, the Illinois laws were found to be unfavorable to such a project; and accordingly Cedar Rapids was again selected for the location of the central offices and no change has since been made.⁵

The progress of the Order may be seen in its increased membership. Galesburg Division No. 2 had an enrollment of twenty-seven when it became defunct in 1868. The three

¹ *Proceedings*, 1913, p. 1326.

² *Proceedings*, 1879, p. 30. Hereafter in this study the organization will be referred to as the Order.

³ *A Bit of History and a Few Facts*, unpublished MS., author not given (concerning Valley City Division No. 58, Cedar Rapids, Ia.).

⁴ *Proceedings*, 1885, p. 765.

⁵ In 1913 St. Louis was selected as the permanent place for holding the triennial conventions of the Grand Division. National headquarters still remain in Cedar Rapids.

divisions remaining probably totaled less than 100 members. In 1869 the president reported twelve active locals, although making no mention of their individual or aggregate membership. Three years later there were twenty-three divisions located in different parts of the country with an estimated enrollment of over 1000.

This prosperity, however, was short-lived. The panic of 1873 and subsequent hard times caused a constant fluctuation in membership and as late as 1879 the Grand Secretary reported less than 1000 members.

With the return of prosperity in the eighties, however, came a rapid increase in membership, the executive in 1885 reporting 150 locals with an aggregate membership of 8,000, which by 1890 had increased to 14,000. The growth since then has been even more marked as indicated by an enrollment of over 24,000 by 1900; 45,000 in 1910, and 49,255 to-day (1913).

MEMBERSHIP GROWTH BY YEARS

1872.....	1,000 (estimated)	1893.....	20,356
1874.....	751	1894.....	19,827
1875.....	774	1895.....	19,737
1876.....	1,108	1896.....	19,810
1877.....	1,058	1897.....	20,697
1878.....	849	1898.....	21,950
1879.....	945	1899.....	23,253
1880.....	1,050	1900.....	24,563
1881.....	1,420	1901.....	25,854
1882.....	2,014	1902.....	27,899
1883.....	3,298	1903.....	31,333
1884.....	6,109	1904.....	33,353
1885.....	7,944	1905.....	35,683
1886.....	10,330	1906.....	38,430
1887.....	11,947	1907.....	41,436
1888.....	13,224	1908.....	42,379
1889.....	13,720	1909.....	43,764
1890.....	14,453	1910.....	45,992
1891.....	17,906	1911.....	47,339
1892.....	20,224	1912.....	47,893
		1913.....	49,255

The full significance of these figures is recognized only when compared with the total number of conductors employed on American railroads. In 1889 the Interstate Commerce Commission reported nearly 21,000, of whom about 14,000, or over 65 per cent, were members of the Order. In 1900 the total number employed had risen to but 30,000, while membership had increased to 24,000, or 80 per cent. In 1910, 90 per cent of all conductors in the United States belonged to the Order.

Another view of the progress of the Order may be obtained from the expenditure records. In the year 1870,¹ the total expense of conducting the Order was \$77. In ten years expenditures had risen to \$1,700, and another decade brought the amount to nearly \$48,000. The expense account in 1900 read \$78,000; in 1910, over \$280,000; in 1913, the latest record, over \$460,000. It is interesting to note that in 1870 no salaries were paid and no expenditures made for office help. In 1913 the salaries of the officials and office employees were nearly \$50,000.

EXPENSE OF CONDUCTING THE ORDER

1870.....	\$77.00	1888.....	27,103.82
1872.....	306.40	1889.....	36,501.47
1873.....	439.68	1890.....	47,983.58
1876.....	383.56	1891.....	48,205.61
1877.....	2,422.52	1892.....	18,068.62
1878.....	1,842.73	1893.....	\$51,361.05
1879.....	958.56	1894.....	61,111.59
1880.....	1,755.24	1895.....	74,713.68
1881.....	868.04	1896.....	136,862.37
1882.....	2,461.04	1897.....	44,630.26
1883.....	4,570.63	1898.....	57,107.76
1884.....	14,040.03	1899.....	62,506.51
1885.....	18,234.53	1900.....	78,204.03
1886.....	27,088.44	1901.....	53,444.23
1887.....	30,580.77	1902.....	63,115.02

¹ Financial records were not kept before this date.

1903.....	127,068.53	1909.....	270,919.63
1904.....	85,519.29	1910.....	280,468.57
1905.....	157,220.85	1911.....	390,372.04
1906.....	100,856.27	1912.....	312,131.77
1907.....	195,382.14	1913.....	461,647.01
1908.....	157,245.82		

While the membership and financial records indicate the growth of the Order, there yet remains another aspect of its progress, *i. e.*, the enlarged scope of its activities. The Order began as a fraternal, beneficiary and temperance society. For many years much attention was devoted to the ritualistic work common to fraternal organizations;¹ beneficiary activities in the form of a mutual life-insurance department were inaugurated as early as 1870; while temperance was emphasized so strongly from the very beginning that President A. G. Black, in 1869, declared that it constituted the corner-stone of the Order. Trade policies in every form were carefully avoided. From 1877 to 1890 members were actually prohibited from engaging in strikes upon pain of expulsion.

By this course of action the early leaders hoped to produce an organization which would meet with favor among both railroads and conductors. As a matter of fact, it did neither. The railroad officials failed to discriminate between the Order and the trade unions of the time; while, on the other hand, the majority of conductors felt the need of an organization which could and would enforce trade regulations.

Scarcely was the association formed in 1868 when it encountered almost fatal opposition from the railroads. In October of that year the superintendent of the Chicago, Burlington and Quincy Railroad issued the following order:

. . . I am satisfied that all the influence of the Conductors'

¹ *Proceedings*, 1874, p. 92.

Union is hurtful, and unless conductors employed on this road give up the association, we will employ others in their places who will be satisfied to rely for success and prosperity wholly upon their individual determination to square their conduct by what is true and right and the regulations of the road.¹

The effect of this bulletin was immediate. Two of the more enthusiastic union members withdrew from the service of the company, but the great majority preferred their jobs to membership in the brotherhood. Within a very short time the lodges at Galesburg and Aurora were defunct and the two remaining divisions, at Amboy and Centralia, were severely handicapped by loss of members.

For a number of years opposition on the part of eastern railroads was a constant menace to the growth of the Order in that section of the country. Some companies believed that the brotherhood was implicated in the railway strikes and riots of 1877, and opposition became so pronounced that at the annual convention held in the fall of that year a resolution was passed to appoint a committee to wait upon the officials of the Pennsylvania Railroad, the Philadelphia and Erie Railroad and "others in the east," for the purpose of explaining to them the objects and principles of the Order, "after which," the resolution naively continues, "they will undoubtedly assist us."²

The railroad officials, however, showed no inclination even to become acquainted with the principles of the Order, as indicated by the report of Grand Chief Conductor Wheaton, who had been appointed on the committee. After setting a date for an interview with the president of the Pennsylvania Railroad, and journeying to Philadelphia to keep the appointment, he was twice refused admittance, and

¹ *Proceedings*, 1869, p. 40.

² *Proceedings*, 1877, p. 242.

he returned home and wrote the entire principles of the Order to President Scott, requesting a reply. In Mr. Wheaton's words:

It came, and in substance this: he sympathized with and encouraged all men in laudable enterprise, but cautioned me against bad men. "Your principles are sound and good," said he, "but to endorse a brotherhood I cannot, having had much more experience with brotherhoods than you, but as long as you stand by the principles you have written me I will not oppose you, and we will wait and see."

After the adoption of the anti-strike clause in 1877 many members of the Order were employed as strike-breakers. This naturally brought severe criticism from all the other railway brotherhoods. Engineers, firemen, brakemen and switchmen vied with each other in placing obstacles in the way of the Order, which was nearly wiped out of existence by their combined opposition.

Meanwhile the Order failed to receive hearty support from a majority of the conductors. Those who were interested in ritualistic ceremonies found them more elaborated in the purely fraternal societies, while there was little inducement to join the Order for the sake of the life-insurance department since other insurance companies already existing were selling policies at much lower rates. But most important of all, conductors throughout the country desired an aggressive trade union such as was found among the engineers, trainmen and firemen. These conductors objected to the disregard shown by the Order to questions of wages, hours of employment and general conditions of work, and they bitterly denounced the anti-strike clause which put them in the class of strike-breakers. As one result of the leaders' steady adherence to the original principles, a rival organization sprang up among the disaffected conductors

which laid great stress on these trade regulations.¹ The Order survived the struggle with this newer brotherhood but was compelled to face the necessity of incorporating trade-union features if it were to become truly representative of the great body of conductors.

A beginning was made in 1885 when the Order directed its executive to assist members in settling their disputes with the railroad companies.² This radical innovation occasioned a conflict within the Order which lasted several years. In 1890 most of the old leaders were deposed, the anti-strike clause repealed and the Order definitely committed to aggressive trade-union policies.

The effect of this change was immediate. Membership increased rapidly throughout the country and despite the years of panic and hard times from 1890 to 1897, when most trade unions lost ground heavily, the progress of the Order was but slightly retarded. Rival organizations were either absorbed or crushed. The opposition of the engineers, trainmen and firemen gave place to a cooperative federation. Railroads found it inadvisable to continue ignoring the demands of the Order, for it was understood that such neglect might lead to a strike.

To-day the Order stands as a typical trade union without having sacrificed any of the objects for which it was originally founded.³ Fraternal and temperance aspects still re-

¹ The rival organization was the *Brotherhood of Railway Conductors*, organized in California, 1885.

² *Proceedings*, 1887, pp. 10-16.

³ Although the Order always insists upon a recognition of the union as a prerequisite to entering into a trade agreement with the railroads, it neither employs nor advocates the closed shop, that is, the exclusive employment of union men. It does, however, demand that unionist and non-unionist be paid the same rate of wages, thus preventing any possible undercutting of wages by non-union conductors. It should be borne in mind, also, that the Order is naturally well protected

ceive emphasis. The mutual benefits have grown to include numerous features in addition to life insurance.

But the most important activities of the Order at the present time are connected with trade policies, such as the regulation of working conditions, standardization of wages, *etc.* Local grievance committees on every railroad of the country are kept busy adjusting minor matters of dispute between companies and conductors. The leading officers of the national body are chosen primarily for their ability to negotiate trade agreements, and to this work they devote their entire time.

against the employment of non-unionists in case of a strike, by the long and rigorous system of apprenticeship demanded in railway service. Neither does the Order use force to secure members, depending chiefly upon "moral suasion," the advantages of collective bargaining and numerous beneficiary features.

CHAPTER III

GOVERNMENT

THE idea of establishing a well-defined system of government for the Order was in the minds of the early leaders from the very beginning. As we have already seen, the plan adopted at Mendota in 1868 provided for a central organization which was nation-wide in extent. This was to be known as the Grand Division. In addition to this body, conductors all over the country were to organize lodges in their respective communities which were to form the local divisions of the Order. The "reorganization convention" at Columbus confirmed this plan and no succeeding convention has altered it.

To trace in detail the many changes which have taken place in the government of the Grand Division and of the locals would take a volume in itself. All that we can hope to accomplish in this chapter is to point out the general machinery of government that has been instituted and note the ways in which it has been molded to suit the peculiar needs of the Order. We shall first consider the government of the Grand Division.

The original constitution provided that the Grand Division should consist of delegates elected by the various local divisions.¹ Each subordinate was entitled to one representative for its first seven members and an additional representative for every fifteen members above that number.²

¹ *Constitution of the Grand Division of the Conductors' Brotherhood*, 1869, art. i, sec. 2.

² *Ibid.*, art. i, sec. 3.

All Grand Officers and Past Grand Chief Conductors were considered members of the Grand Division; from 1878 to 1889 it was customary to permit any conductor who had represented his local at four consecutive Grand Sessions to become a permanent member of the Grand Division. With the growth of the Order, however, it was found necessary to restrict membership in the Grand Division in order to prevent it from becoming too large for effective work. Accordingly, the representation of locals has gradually been limited until to-day each subordinate division, irrespective of its size, is entitled to but one delegate, and no additions to the list of permanent members have been made since 1889. Even with these restrictions, membership in the Grand Division at present totals over 600.

The Grand Division holds sessions at regular intervals. From 1869 to 1891 these conventions were held annually; since that time a biennial plan was followed, until 1913, when the triennial meeting was adopted. The by-laws originally provided that no Grand Session should last longer than four days, though for many years this maximum was not reached, but as the business of the Order has increased it has been found necessary to eliminate the time restriction entirely. Sessions frequently occupy the greater part of two weeks, while the one held in 1913 lasted sixteen days.

The authority of the Grand Division was not set forth specifically in the early constitutions but from the beginning its supremacy over the locals has been tacitly accepted. As a matter of fact, the central body proceeded at once to regulate the conduct of the subordinates. It provided the manner in which they were to be created; it furnished them with constitutions and by-laws; it sold them supplies; it prescribed the qualifications necessary for membership; it stipulated their initiation fees and assessed their members. In-

deed the fixing of local dues was the only matter left to the discretion of the subordinates.¹

The circumstances surrounding the formation of the national union made it possible for the Grand Division to appropriate these extensive powers without protest from subordinate divisions. It will be recalled that but two local organizations participated in the "constitutional convention" at Mendota. Hence the Grand Division then formed was not obliged to face the problem that confronted the central organization in many other unions, *i. e.*, that of dealing with old and well-established locals, each of which was jealous of its own powers. In the printing trades, for example, a large number of local unions had been in existence for half a century prior to the formation of the national body, and for years they opposed every attempt on its part to restrict their powers. The Grand Division, on the other hand, without raising any question of overstepping its authority, enacted laws for the guidance of the locals, even before the latter were brought into existence.

Despite the extensive powers which it assumed to assert, the Grand Division actually interfered but little with the every-day work of the subordinates. For over twenty years its time was largely consumed in an earnest endeavor to bring locals into being, to replete membership of waning divisions, and above all, to get its own work upon a firm foundation—a task which was not finally completed until 1890.

The supreme authority of the Grand Division has never been questioned. Its powers, as the more recent constitu-

¹ For a number of years locals have been permitted to pass by-laws that are not in conflict with provisions laid down by the Grand Division. Such regulations, however, are not operative until after they have received the approval of the national president, and in actual practice are of little consequence.

tions definitely provide, are: "first, legislative; second, executive; third, judicial."¹

The legislative functions of the Grand Division are exercised only when the division is meeting in Grand Session. The mode of procedure is much the same as that found in an ordinary legislative assembly. The president in his report to the convention, read at the beginning of the session, sets forth such matters as he thinks should be acted upon by the Grand Division. Representatives suggest measures on behalf of their respective locals, or in their individual capacity. Sometimes there are from a dozen to fifteen measures bearing on a single subject.

Obviously for the Grand Division to consider the merits of each proposal would consume weeks, if not months. Hence committees of all kinds are appointed to deal with questions of insurance, constitutional amendments, grievances and appeals, jurisprudence, *etc.*, until each of the proposed measures has been submitted to some one group.

Each committee has its own separate meetings at which the measures referred to it are thoroughly considered. Any member of the Grand Division can appear before a committee and state his views on the proposal it is considering. As a rule, the committeemen find it necessary to work night and day. All the proposals bearing on a given subject are carefully investigated, and, so far as possible, the good features of each are incorporated in one definite measure. When this task is completed the committee reports its findings to the Grand Division. Frequently, if the measure be an important one, there is a minority report as well as one by the majority. Committeemen are often called upon to defend their report upon the floor of the convention.

Sometimes discussion over a committee report will wage

¹ This began with the constitutional revision of 1881.

for hours or even for days. In recent years it has become customary to limit the time allowed for discussion according to the importance of the subject-matter. In most cases, except constitutional amendments, legislation is passed by a majority vote. Measures thus enacted are binding upon all members of the Order.

Although empowered so to do, the Grand Division performs practically no executive or administrative functions. In the very nature of the case these duties must be performed continuously throughout the year. Hence, it has become customary for such duties to be turned over to the Grand Officers. The officials who actively participate in the work are the president (formerly called Grand Chief Conductor), a senior vice-president, six vice-presidents, and the Grand Secretary and Treasurer. The president, assisted by the six vice-presidents, devotes a large part of his time to settling disputes concerning wages, hours of work, *etc.*, which, because of their importance, have been referred to him for final adjustment. The Grand Secretary and Treasurer keeps the records of the Order and has under his immediate charge the insurance department. For a complete list of Presidents (Grand Chief Conductors) the reader is referred to Appendix A.

As the Order increased in size, however, it was found difficult for the president and vice-presidents to perform all the duties of administration. Consequently, in 1887, the Grand Division created a Board of Directors. This board meets in semi-annual sessions at the national headquarters. It decides certain questions delegated to it by the supreme body, with which the administrative officers are not empowered to deal.

In matters requiring judicial decision the Grand Division has again found it necessary to delegate its powers. In the majority of cases the president performs the judicial duties,

but in some instances appeal can be had to the Board of Directors. An Executive Committee, now known as the Trustees, was created in 1876. It has power to call a special session of the Grand Division to try Grand Officers against whom charges have been preferred. It also has power of suspension and removal from office, for cause, and can fill vacancies, except that of president, created by such suspensions and removals, pending a meeting of the Grand Division. The Grand Division, however, reserves the right to review all important judicial decisions.

For many years the local divisions paid the expenses of their delegates to the Grand Division. This plan is common among trade organizations generally, but contains certain defects, as the Order soon discovered. Subordinates did not always see to it that their representatives met the technical requirements for admission to the Grand Division, with the result that these delegates were sometimes refused membership in the central body. Often because the expense of sending a delegate to a distant point seemed heavy, no one would be elected to represent the subordinate. From the delegate's standpoint, also, the system was unsatisfactory, for in actual practice he usually found it necessary to pay his own expenses and present an itemized account to the local upon his return. Sometimes it was months before the bill was finally paid.

To remedy these defects, the Grand Division, in 1901, voted to pay the expenses of all delegates, assessing the whole Order to meet the expense involved. This has not only obviated the difficulties just mentioned, but has served to put the sessions of the Grand Division upon a more substantial basis.

Taken as a whole, the plan of having a Grand Division composed of delegates from all the locals and meeting in regular sessions has proved suitable to the needs of the

Order. In recent years, however, because some members believe the Grand Division is becoming so large as to be unwieldy, and because of the very heavy expense of holding sessions, there is some talk of abandoning the plan. In 1909, for example, it was proposed to abolish the present Grand Division and substitute in its place a comparatively small board of directors, composed of the chairmen of the general grievance committees of the various railroads. It was pointed out that such a scheme would reduce the Grand Division "to a compact, efficient body of men, experienced in all matters pertaining to the welfare of . . . members as a whole and bring the enormous cost under the present system to that commensurate with the business transacted. . . ." The proposal was not given serious consideration at the time, but it is likely again to claim attention in the future.¹

The regulations which the Grand Division drew up for the subordinate unions enumerated practically all the requisites for organization.² Seven conductors was the minimum number necessary to organize a local. General meetings were to be held at least twice a month. All members were permitted to discuss and to vote upon measures which came before the local. To prevent a subordinate from being used for any purpose not strictly in accord with the fraternal and beneficiary objects of the Order, no political or religious discussions were permitted.

Membership provisions were also specifically set forth.³ To become a candidate it was necessary that the conductor's name be proposed by at least two members of the division.

¹ The chief reason for adopting the triennial plan was to reduce expenses of holding Grand Sessions. The convention held in 1913 cost the Order approximately \$114,500.

² *Constitution to Govern Subordinate Divisions*, 1869.

³ *Ibid.*, art. iii, sec. 4.

who certified that the applicant was a man of good moral character and that, in their opinion, he would make a worthy member. As soon as a name was proposed, the president (Chief Conductor) appointed a committee to investigate further the record and the character of the applicant. The committee reported at the next regular meeting, after which a ballot on the application was taken. Favorable majority vote admitted to membership. These general provisions, with but few alterations, still constitute the framework upon which locals are organized.

The position of president in the local is honorary and carries with it no stipend. The work of the secretary and treasurer, however, includes checking the membership roll, collecting dues, both for the local and the Grand Division, and carrying on the general correspondence of the local. Frequently the local dues of the secretary and treasurer are remitted, and in some of the larger divisions it has been found necessary to employ a person for the work who can devote his whole time to it.

Much of the actual work of the subordinates is performed through committees. As a rule these committees do their duties gratuitously, but in recent years it has become customary to reimburse members who in the discharge of their committee work have found it necessary to take time off their "runs."

CHAPTER IV

JURISDICTION

"THE primary aim in the formation of a trade union," according to Professor Barnett,¹ "is to obtain unity of action among the workmen in that trade. For the attainment of effective unity it is indispensable that within a given territory there shall be but one union." Accordingly, it has become customary for each national union to lay claim to the territory it wishes to control and to the class of workmen from which it expects to recruit its membership. These claims are known respectively as territorial and membership jurisdiction. Every national organization must see that its own claims and those of its locals are carefully defined both as to territory and membership.

The conductors found little difficulty in defining the territorial jurisdiction of subordinates. Railroad "divisions" (that part of the road under the control of a local superintendent) were already recognized. The territory assigned to each local was made coextensive with the railroad "division" in which it was located and doubtless the term "subordinate division" had its origin in that fact. The lodge itself was always located in that town or city known as the "division point." This was the place in which the superintendent had his offices and in which conductors employed on the division naturally resided.

This simple plan of grouping proved particularly fortu-

¹ George E. Barnett, *The Printers*, American Economic Association Quarterly, third series, vol. x, no. 3, October, 1909, p. 41.

nate since it prevented conflicts between locals as to their respective territories. Even in the larger cities where several roads maintained "division points," but few difficulties arose because each subordinate was confined strictly to conductors employed on the "division" of a single road.

The problem of defining membership jurisdiction for locals proved even more simple. By reserving to itself the right to decide what classes of employees should be eligible to membership in the locals, the Grand Division virtually eliminated the question of membership jurisdiction so far as the locals were concerned.

In case of the national jurisdiction the situation has not been as favorable. Not only has the Order had its territorial claims disputed time and again, but it has been compelled to carry on an almost constant struggle to preserve its membership jurisdiction.

It will be recalled that the circular issued in November, 1868, calling for the convention at Columbus, was addressed "To all the Railroad Conductors in the United States and British Provinces." Thus at the very beginning of its history the union claimed the right to organize in all the territory embraced in the United States and Canada. Later the Republic of Mexico was added.

It is evident that with such extensive jurisdictional claims no new union could enter the field without invading the rights claimed by the Order; but the mere assertion of an exclusive right to this vast territory has not been sufficient to keep out rival organizations. The Order was still feebly feeling its way along, when, in 1876, a proposed "Trainmen's Union" threatened to usurp parts of the coveted territory. The movement, however, was short-lived. In 1883 the United Trainmen's Association of Canada laid claim to the "British provinces," but within a short time was compelled to give up the territory.¹

¹ *Proceedings*, 1884, pp. 655-6.

In 1885¹ the *Brotherhood of Railway Conductors* was organized in California in direct opposition to the anti-strike attitude of the *Order of Railway Conductors*. It proved so popular that it caused much alarm in the ranks of the older organization, but after the adoption of the protective policy by the Order in 1890, the newer brotherhood grew weaker, and in 1893 was absorbed by the Order.²

It was in 1893 also that the American Railway Union was founded. Its chief moving spirit was Eugene V. Debs. He sought to unite all the railway employees of the United States into one gigantic organization. For a short time it seemed as if he might succeed, but after the disastrous Pullman strike of 1893, in which the Railway Union was involved, the organization soon passed out of existence.³

In 1901 the Canadian Order of Railway Men was launched.⁴ This scheme contemplated a federation of Canadian engineers, firemen, conductors and brakemen. In many respects it resembled the American Railway Union just described. The Canadian employees, however, showed no general inclination to withdraw from the International brotherhoods, and after a few months of manoeuvring the project was abandoned.⁵

In Mexico the equivalent of a territorial dispute has existed for a number of years. The trouble has not been primarily with a rival organization (although a union composed of native employees now exists) but with the Mexican government which has sought to equip its lines exclusively with Mexican labor.

¹ Emory R. Johnson, *Brotherhood Relief and Insurance of Railway Employees*, in *Bulletin of Bureau of Labor*, no. 12, July, 1898, p. 557.

² *Proceedings*, 1893, pp. 9-67.

³ *Proceedings*, 1895, pp. 9-85.

⁴ *Ibid.*, 1903, pp. 19, 101.

⁵ *Proceedings*, 1903, pp. 19, 101.

The Order asserts that the Mexican government has constantly discriminated against American labor and upon the ground that such conductors were still citizens of the United States, it has attempted from time to time to secure relief by petitioning the State Department at Washington. One such memorial drawn up in 1905¹ stated that American conductors in charge of trains by which persons were killed or injured were often "confined in loathsome dungeons for days and weeks and in some cases for months, denied the presence of friends, fed upon the coarsest of foods, compelled to sleep upon hard floors covered with vermin, denied speedy trial, for which the Mexican law provides, and in some cases have finally been released with no word of explanation." Upon receipt of the petitions the State Department has, through its Mexican ambassador, investigated conditions, and in some instances has been able to secure the release of the men actually in prison. Such assistance, however, did not remove the cause of the difficulty.

With the growth of revolutionary conditions in Mexico, the position of American conductors became steadily worse, and in 1912, despairing of the success of all other efforts, the Order declared a general strike on all Mexican lines. This was, in fact, equivalent to relinquishing the jurisdiction of Mexico, since it was realized from the beginning that the strike could not be won. The charters of nearly all the subordinate lodges were declared forfeited, and American conductors urged to leave the country. The most serious aspect of the situation so far as the Order was concerned was the fact that a large percentage of the men who went on strike found it impossible, either because of age limit or physical incapacity, to secure positions in the United States and as a result many of them are still on the relief

¹ *Proceedings*, 1905, pp. 297-299.

rolls of the Order. During the first year approximately \$55,000 has been expended in their behalf, and there is every indication that many of the men will become permanent charges of the union.

The disputes over territorial jurisdiction have never been so serious as those that concern membership, although the latter are of more recent origin. When the Order was founded membership jurisdiction was not important because the engineers were the only other class of railway employees who were organized, and their work was so distinct as to make conflict very remote. But the question at once came to the fore with the formation of other unions, especially among the switchmen and trainmen, since men from these classes are frequently promoted to conductors while retaining membership in their former unions.

In solving membership difficulties the Order has faced three distinct problems: (a) the question of jurisdiction over members who have ceased to work as conductors but who still retain an active interest in the Order; (b) the question of deciding upon applications for membership received from persons not conductors; (c) the question of dealing with unions that have sought to regulate conditions of employment for conductors.

(a) In point of time the problem of dealing with a member who changed his occupation from that of conductor was that first to engage the attention of the Order. This question, which at first appears insignificant, involves a very important trade-union precept. If a union attempts to regulate conditions of employment for members who change their occupation, it is very likely to encroach upon the jurisdiction of some other union.

The conductors early foresaw such dangers, and have tried to avoid them. The right to retain membership, after changing occupation, has been recognized, but with certain

restrictions. If the occupation be outside the immediate work of train service, the Order makes no attempt to control or to care for the activities of the member. If, however, the transfer be made to some other closely-associated line of work, such as that of brakeman, baggageman, switchman, yardmaster, *etc.*, the union is willing to handle all cases of grievances and appeals which such a member may have against the railway company, but it is not willing to arrange his wages or hours of employment. By holding strictly to this policy the Order has avoided many disputes over membership.

(b) The question of what to do with applications for membership received from railway employees who are not conductors is frequently considered by the Grand Division. At first the Order met the problem by restricting membership to conductors in charge of trains on steam railways. This sufficed for many years, but more recently the advent of new classes of railway employees who perform duties similar to those of conductors has caused the union gradually to recede from its original position.

The introduction of electricity, for example, as a means of transportation has created a class known as electric and interurban conductors. These men often ask for admission into the Order. For some years their requests were refused upon the ground that they were not "bona-fide conductors." By 1907, however, pressure for admission had become so strong that the rules of the Order were modified so as to admit conductors employed on surface railways where both steam and electricity were utilized as motive power, and where the operation of trains was governed by standardized timetable rules. This change was intended to protect only conductors who were employed on railroads where electricity was being introduced to supplement steam. It did not contemplate the admission of conductors on

purely electric roads, but at the very next session, President Garretson, in anticipation of this latter issue, devoted considerable space to the subject. He said, in part:

While the acceptance of men engaged in such (electric) service is, in the opinion of many members of the Order a direct violation of all the traditions that have governed the organization, the fact remains that large numbers of our members are engaged in lines of that character; that the spread and extension of these properties (interurban) have been so great and their methods of operation so closely approach the methods that obtain in the operation of railways in adjacent territory, that the existence of large bodies of men trained in that school renders it an absolute necessity for us either to provide for their incorporation with us or see them form organizations of their own, or affiliate with other organizations that may not be as able as we to create for them wage conditions that will not be a menace to our own wage rates. Objectionable as the theory of their acceptance may be, it is a condition and not a belief that confronts us, and one which calls for the very best thought on the part of our membership.¹

The gravity of the situation solely from the viewpoint of jurisdictional membership is apparent. If the interurban conductors formed a separate union, disputes on railroads where steam and electricity are intermingled would be bound to arise sooner or later. On the other hand, should this rapidly-growing body of workers affiliate with some other union, it would be necessary for that union to invade the field of wage regulations now claimed exclusively by the Order, if it made effective its protection to the interurban conductors.

The position taken by the Grand Division was in the nature of a compromise. Outright membership to inter-

¹ *Proceedings*, 1911, pp. 11-122.

urban conductors was refused, but provision was made whereby conductors on "railroads operated by power other than steam" should be eligible to membership, whenever the president of the Order should decide that such employees were within the intent and purpose of the laws which govern admission. Acting under the authority vested in him by this law, President Garretson has from time to time admitted conductors on specified electric roads, but the number so admitted forms only a small portion of the total number of electric conductors. Hence, it is probable that the question will again come before the Grand Division.

In addition to applications received from employees whose work is similar to that of conductors, the Order has received numerous requests for membership from groups whose duties are quite distinct. In 1907 a petition was received from the Order of Pullman Conductors,¹ an organization composed of men in charge of Pullman cars, but whose duties vary materially from those of train conductors. The organization asked the Grand Division to be permitted to join the brotherhood as an auxiliary. At the time they petitioned for membership the Pullman Conductors had locals established in New York, Boston, Jersey City, Philadelphia, Washington, Pittsburgh and Chicago. The combined membership was 400, and they claimed a "very good possibility of securing 3,000 inside of one year," provided the alliance was effected. The Order did not give serious consideration to the request of the petitioners. In fact the request never passed the preliminary reading stage at the Grand Division.²

¹ *Proceedings*, 1907, p. 402.

² In 1913, another petition was received from the Pullman conductors asking for admission, which was refused on the ground that the existing laws of the Order did not provide for members engaged as Pullman conductors.

In 1911 a number of train dispatchers petitioned the Order to revise its constitution so as to admit this class to membership. The Grand Division by an overwhelming vote refused to grant the request. At this same session, however, when a group of switchmen filed a similar petition for admission, some members were favorable to granting the application. Discussion of the question grew spirited until the whole subject was put at rest by a vigorous speech by President Garretson, in which he exclaimed: "Do it, and you will have as damnable a situation as confronts the city of Chicago now where the steam-fitters and plumbers are tying up the business of that city, not because of any grievance against their employers but because they are fighting with each other over jurisdiction."

(c) The third class of jurisdictional disputes arising over membership is related to the encroachments of rival organizations. The Order has always insisted upon the exclusive right to legislate for all conductors, irrespective of whether or not they belonged to the union. In his report for the period ending September 1, 1906, President Clark wrote: "We resent the idea of any one encroaching on our rights in that connection." In 1911, President Garretson said: "I sincerely hope that we will retain that which we have always retained, the right to legislate and fix rates of pay and conditions of service for conductors."

These two references to the Order's claim of exclusive jurisdiction were occasioned by unusual activity on the part of the Trainmen to secure certain "rights" for conductors who were members of that organization. The reader will recall that the Trainmen's brotherhood was formed among brakemen in 1883. Its growth was remarkable from the very beginning and it soon took a place beside the Engineers and Firemen as a powerful trade organization. In 1889 it passed an act providing that a brakeman, on being promoted

to the position of conductor, did not by such promotion relinquish his membership in the union. Following the passage of this measure jurisdictional disputes between the Order and the Trainmen occurred with increasing frequency. Conductors who retained membership in the latter organization naturally expected that union to secure for them the advantages which organization brings. The Trainmen willingly acceded to the requests of such members, but in attempting to carry out their wishes came squarely in conflict with "rights" that for years had been exclusively asserted by the Order. To recount all these disputes would fill a volume.

The situation was further aggravated by the fact that the two brotherhoods could not agree upon uniform seniority rules, which relate to promotion, determined upon the basis of seniority or length of service. Under such an arrangement the employee who has been in service longest is entitled to the most desirable positions open to his class. Both unions advocated the principle of seniority as applied to railway service but disagreed as to the manner of application. For instance, the Order, whose members for the most part were older in point of service than those of the Trainmen, advocated a strict enforcement of the rule, which was equivalent to saying that members of the Order would have their choice of runs and vacancies. The Trainmen, on the other hand, wished a rule, whereby vacancies should be filled by the promotion of brakemen, and for several years they pressed their view. The railroad companies, anxious to secure younger men, were inclined to favor the Trainmen.

By 1899, however, it had become evident to both the Order and the Trainmen that, if the promotion of brakemen to conductors were allowed to continue unchecked, the number of conductors would soon be so large as to menace the

wage scale of all conductors.¹ Consequently, an agreement was reached on a considerable number of lines whereby one conductor was to be hired outright for every two promoted from the ranks of the brakemen.² Such agreements are generally still in force.

With the settlement of seniority troubles, jurisdictional disputes between the two unions became fewer and fewer. Both organizations are anxious to supplant the former spirit of animosity by one of co-operation, and at present important differences of opinion are largely settled in joint committees.

¹ *Proceedings*, 1899, p. 378.

² *Proceedings*, 1901, pp. 328-34.

CHAPTER V

FEDERATION

EARLY in their history, trade unions learned the advantage of uniting in federations for the purpose of securing their demands. In some cases alliances are formed between unions engaged in the same general class of work. For example, societies of plumbers, painters, plasterers and stone cutters often create building-trades councils. Sometimes unions combine irrespective of occupation, as in the American Federation of Labor, where organizations of all kinds are cemented into one gigantic body.

The purpose of such combinations is, on the one hand, to give greater solidarity to the ranks of organized labor; on the other, to enable union leaders to drive home certain trade-union principles. Thus so fundamental an idea as recognition of organized labor made little progress so long as each union worked individually, but when all, through the American Federation of Labor, took up the work and made the movement nation-wide, recognition was rapidly attained. In much the same way, the plea for an eight-hour work day received scant attention either from employers or public until trade unions through alliances precipitated a general movement in its favor.

Among the railroad brotherhoods, the idea of federation seemed natural from the very beginning. Not only were the men in the train service all engaged in much the same kind of work, under the same conditions, same bases of pay and same hours of service, but, what was much more

important, they were all arrayed against the same employers.

As early as 1889, representatives of the firemen, trainmen, switchmen and conductors¹ formed an association called the United Orders of Railway Employees. Its chief object was to unite the brotherhoods in obtaining the adoption of written trade agreements insuring a standard work day, uniform basis of payment, higher wages and shorter hours. The working part of the federation was a small body, known as the Supreme Council, composed of the presidents of the unions. It initiated all the movements carried on by the federation and, in case its demands were refused, had power to call a strike of all the brotherhoods party to the agreement.

It is seen that the underlying idea was to combine the full strength of each organization into a single force to act upon the questions that were made an issue by the Supreme Council. This form of alliance has been frequently called the association plan of federation in contrast to the system plan described below.

The fact that the Order was still a non-striking organization prevented it from taking part in this movement at the outset. President Wheaton declined an invitation to join the federation, on the ground that he did not feel like coöperating in such a project because of "certain legislation on the statute books." When, in 1890, however, the protective policy was adopted, the matter of membership in the federation became important, and the Grand Division appointed a special committee to consider the question and report at the following session.²

¹ The conductors were represented by the Brotherhood (not the Order) of Railway Conductors, which, it will be recalled was a rival organization which had been formed in 1885.

² *President's Monthly Circular*, July, 1890.

This same year the engineers, who had refused to join in the association plan of federation, went on record in favor of the system plan of federation.¹ Under the system plan the chairmen of the grievance committees of the various unions of a system (or railroad) were to form a federated board for the consideration of questions of mutual interest to the brotherhoods. The idea was fundamentally different from the association plan in that it made each system of road a complete unit of federation, whereas the association plan involved each union as a whole. Brotherhoods joining the federation had equal representation and voting power. In case of a dispute between a road and an employee, the chairman of the organization where the complaint originated was to seek an agreement with the railroad. In event of his inability to secure this, the grievance was to be referred to the federated committee. This board was to make every effort by negotiation, mediation and arbitration to settle the difficulty. Should all these means fail, the executives of the unions were to be called into council with the federated board. If deemed expedient, a joint strike of all the employees on the system could be called.

President Clark, who came into office in 1890, was a firm believer in coöperation of all kinds among the brotherhoods. In a bulletin devoted entirely to the subject,² he urged the adoption of the system plan of federation, suggesting that in case the unions belonging to the Supreme Council declined to enter into such an alliance, the Order ought to make arrangements with the engineers. He also believed that the federation would become something more than a mere weapon for forcing concessions from the rail-

¹ *Proceedings*, 1891, pp. 43-6.

² *President's Monthly Circular*, October, 1890.

roads, and expressed the hope that it would be a potential agency for industrial peace, creating conservatism on the part of both unions and railroads.¹ Speaking of the effect of such an alliance upon the brotherhoods, he said, "It will be easier to handle those who are headstrong when they are under an agreement than when they are not." On the other hand, he believed that the power of such a federation would be sufficient to make the railroads willing to settle disputes by peaceful means. "It is almost absolutely certain," he wrote, "that so long as members are reasonable, it will never be necessary to go to the extreme of striking, after such an alliance is in effect on any road."

No alliances were made, however, and in the following spring (1891) the matter of petitioning for membership in the Supreme Council again came before the Grand Division. Opposition to such a course rested largely upon two grounds: First, the well-known proclivities of the switchmen "to declare war" might involve the Order in an endless turmoil of strikes. Second, as the Brotherhood of Conductors was already a member, it would doubtless be impossible for the Order to maintain harmonious relations in the Council.

The burden of defending the federation fell largely on the shoulders of President Clark. He explained that under existing conditions every time the switchmen "struck", they unjustly regarded the conductors as strike-breakers if the latter "put away their trains", even though they were accustomed to do so normally. He believed that membership in the Council would not only eliminate this misunderstanding, but that through its vote as a member of the federation, the Order could go a long way towards stamping out unauthorized strikes, which each year were becoming a

¹ *Proceedings*, 1891, pp. 118-20.

greater menace. As to the second objection, the president announced that while it was distasteful to him to be compelled to associate with the Brotherhood of Conductors, even in the Supreme Council, yet he believed that the best way to get that organization out of that body would be for the Order to join the federation.

Largely through his influence the Grand Division voted to ask admission to the Council.¹ While the former remained in session, no information could be obtained whether the application for membership would be favorably considered. Accordingly, the matter was referred to a committee "with power to act"; and in case admission to the Council were refused, the committee was to "make such articles of confederation with such other labor organizations as may be deemed to the interests of the Order."

Events were rapidly shaping themselves to make membership in the Council undesirable. Bickerings and jealousies had always existed, and soon after the Grand Division adjourned serious disagreements broke out between the switchmen and trainmen which finally ended in the withdrawal of the latter union from the Council.

At the same time the Brotherhood of Railway Conductors was exerting every influence to keep the Order out. In fact, it decided that the federation should be wrecked rather than permit its rival to become a member. Fairly typical of the attitude of the Brotherhood is the following letter which was written by its vice-president to a member:

"You can bet, Brother, that the B. R. C. [Brotherhood] are hooked up all right. The O. R. C. [Order] now admit that 'if you don't let us into the Council, we are gone.' *Well, we won't let them in, if we bust up the*

¹ *Proceedings*, 1891, pp. 465-6.

works. . . . There will be *hell* in the Council. Watch our smoke."¹

A copy of this letter fell into the hands of President Clark. Realizing that, with affairs in such chaotic condition, no real progress in federation could be made, the membership committee from the Order abruptly stopped all efforts to gain admission.² In July (1891) representatives from the firemen and switchmen met in Chicago and formally dissolved the Supreme Council.

With the breakdown of this method of federation, there remained only the so-called system plan proposed by the engineers. This was impracticable, however, because of the existence in the engineers' constitution of an incidental provision stipulating that in case of a strike on one system, engineers on all connecting lines were required to boycott the property and business of the affected road. To this the conductors refused to agree, since any effective federation would involve adoption by the Order of a similar clause.

Of the failure of federation during the period just described, Emory Johnson, writing on "Brotherhood Relief in Railway Organizations," says: "The time was not then ripe for successful federation. The brotherhoods did not have the requisite degree of confidence in each other, and the leaders of the federation movement were too radical."

Although wrangles and distrust had put an end to the first coöperative plan, the need for federation still existed, and the brotherhoods at once declared in favor of the system plan. In December, 1892, representatives of the engineers, firemen, conductors, trainmen, switchmen and telegraphers met in Cedar Rapids, Iowa, and adopted what has since been known as the Cedar Rapids Plan of Feder-

¹ *Proceedings*, 1893, pp. 9-67.

² *Ibid.*, 1893, pp. 9-67.

ation.¹ This was in fact nothing more than a modified form of the proposal originally made by the engineers, with the objectionable boycott provision eliminated. The plan went into operation in April, 1893, and continued in force for four years.²

Suitable as was the system plan for meeting the needs of any particular railroad, it was not effective in reference to questions of a general nature. For example, it was useless in determining a course of action relative to compulsory arbitration of railway disputes, legislation on safety devices, *etc.*, yet these matters were becoming more important each year and in regard to them the leaders of the various unions wished to act as a unit. This desire led to a conference of the executives of the five brotherhoods in 1897 when a new plan of federation was devised which combined features of both the system and the association. Grievances on the various roads were to be handled in much the same way as heretofore, while in addition there was to be a cabinet composed of the executives. By means of this cabinet it was hoped that a powerful influence would be brought to bear on legislation affecting interests of the brotherhoods.³

All previous system federations were declared terminated, except those in force with the engineers. The latter brotherhood could not officially ratify the new plan until its convention in August, 1898, so the agreements to which it was a party were continued until that date.⁴ At their meeting the engineers refused to endorse any plan other than sys-

¹ *Proceedings*, 1893, pp. 521-4.

² As a result of the defalcation of its Grand Secretary and Treasurer and of American Railroad Union troubles, in which many of its members were implicated, the Switchmen's Union passed out of existence in 1895.

³ *Proceedings*, 1897, pp. 9-19.

⁴ *Article of Federation Governing the Federation of American Railway Employes*, issued by general committee, October 14, 1897.

tem federation. This unexpected action caused much ill-feeling on the part of the other brotherhoods and existing agreements with the engineers were promptly abrogated.¹

But the new plan of federation did not prosper. The old rivalry between members of the unions persisted, despite the utmost efforts of the executives to bring the organizations into harmony. This lack of unity on questions of general importance proved fatal, and in less than two years, the executives were compelled to meet and formally dissolve the federation. Thus the third attempt at coöperation among the brotherhoods proved a failure.

The executives, however, were not discouraged. In the signed statement of dissolution, they said that the step should not be understood to indicate any friction between the organizations; that their faith in federation was unshaken, and that eventually some plan of direct coöperation would become a permanent fixture among the brotherhoods.²

The situation may be summed up by saying that while the leaders of the unions now fully realized the advantage of federation in securing common ends, the rank and file of the members were still unconscious of it, except in individual instances. For example, whenever the employees on a given system wished higher wages, they were perfectly willing to coöperate and make the necessary sacrifices to secure them, but the idea that the unions as a whole should adopt this as a principle was still beyond their thought. Consequently, the leaders reluctantly returned to the system plan.³ For a complete list of federations to which the Order is a party, see Appendix B.

With the formation of the western, eastern and south-

¹ *Proceedings*, 1890, pp. 514-7.

² *Ibid.*, 1901, pp. 9-120.

³ *Ibid.*, 1903, pp. 19-101.

ern associations (described in Chapter VI), necessitating concerted movements on a large scale, the system plan again proved inadequate, and in 1907 it was provided that the General Adjusting Committees in each association might coöperate for the purpose of carrying on concerted movements relating to wages, hours and other important general working conditions.¹ The plan was immediately successful, and most of the wage movements for the last few years have been conducted in this manner. A conspicuous example of its operation was seen in the year 1913 when the joint committee of the Conductors and Trainmen in the eastern territory carried on a movement for higher wages affecting fifty-two railroads.

The success of the association movements has led the executives to believe that the time is now (1913) ripe for a further extension of the coöperative idea. Thus at the conventions held in 1913 each union² was asked to vote on the proposition of establishing a central bureau of statistics for the purpose of collecting statistics relative to wages, hours of work, *etc.* The brotherhoods not only approved the plan, but voted to contribute annually for the upkeep of the bureau.³

In speaking of the coöperative movement, President Garetson expressed his belief that the time would come when one fixed Board of Appeals, composed of representatives from the four brotherhoods on the one hand, and of officers of the railways on the other, would sit in continuous weekly, monthly or quarterly sessions, as the case might be, listening to the demands of both employers and employees, and adjusting all differences that might arise.⁴

¹ *Proceedings*, 1909, pp. 11-106.

² Engineers, conductors, firemen and trainmen.

³ *Proceedings*, 1913, p. 489.

⁴ *Ibid.*, 1913, p. 861.

As indicative of the trend of federation, President Stone, of the engineers, in 1913, appeared before the Grand Division of the Order urging cooperation. He announced that the engineers and firemen had just reached an agreement which would do away with the friction that had previously existed between those unions, and that the cooperative movement would doubtless make rapid progress in the future.

Largely as a result of the attitude taken by President Garretson, the Grand Division passed a resolution recommending that in all future association movements relative to wages, hours and general conditions of work, the general committees of the Order work in harmony with committees from the other brotherhoods, and, if possible, the unions make one general agreement for all the roads, irrespective of size or location. It is yet too early to tell how successful will be these latest, but very important, phases of the federation movement.

PART II

TRADE REGULATIONS AND MEANS
OF ENFORCEMENT

CHAPTER VI

WAGES AND HOURS

As already noted, for many years the Order either ignored trade policies or expressed sentiments hostile to them. Only when driven to it by the necessity of changed conditions and the menace of a rival organization, did the union take up those trade-regulatory functions which to-day form such an important part of its activities.

To understand why the Order was obliged to change its policy, it is necessary to examine conditions of employment during the early years of the organization. By 1868, some railroads recognized as many as five distinct classes of conductors. In the vernacular of the railroads these were known as: through passenger conductors, local passenger conductors, through freight conductors, local freight conductors and yard switching conductors. A through passenger conductor is one who is in charge of a train which runs through from one principal division point to another. Ordinarily this train does not stop at small stations, thus distinguishing it from a local train. As a rule the run made by the local train is for a comparatively short distance; so short, in fact, that it not infrequently happens that the local leaves a given station in the morning and returns to it in the evening. In the main, the same distinction holds true between through and local freight trains. In yard switching service, the conductor does not have any regular "run", but his work is confined to switching and making up trains. Not all roads recognized these classes as distinct. Some,

for example, had but two, passenger conductors and freight conductors, who performed the work of all five; others maintained three; still others four.

There were absolutely no general rules regarding wages. Pay varied according to the number of classes of conductors that a road recognized, as well as by the length of time the conductor had been in service. Quite as often, however, promotion, and consequently pay, were governed by favoritism, and demotion or dismissal was made in many instances only for the purpose of furnishing an opportunity for the advancement of a favorite. Rules of pay, moreover, for the same classes of work varied materially—not alone in different divisions of the country—but on different roads in the same territory, and sometimes on different sections of the same road. Neither was there a uniform basis of payment. A large number of the roads paid stipulated monthly salaries. Some paid by the “trip”, still others by the day, and a few by the number of miles which the conductor “ran”.

Although the varying rates, standards, and bases of payment make any conclusions as to wages received by conductors quite impossible, nevertheless some general statements may be attempted. Conductors on through passenger trains received higher wages than those employed on local passenger trains, and through freight conductors received more than local freight conductors. Men in charge of passenger trains received higher wages than those in charge of freight trains. Both passenger and freight conductors were paid higher wages than conductors engaged in yard switching.

Statistics as to wages during this period are not available, but from estimates made on the basis of interviews with conductors who were in service during these years it would appear that passenger conductors were paid from

\$65 to \$70 per month and that freight conductors received on an average about \$60. This condition remained practically unchanged throughout the 70's, except as wages were temporarily affected by the hard times in the latter part of that decade. With the return of prosperity in the 80's wages rose. It is estimated that by 1883 passenger conductors were receiving from \$70 to \$80 per month and freight conductors from \$60 to \$72.

Unstandardized as were conditions regarding wages of conductors, those relative to the length of the work day were even worse. There was apparently no connection between the wages paid and the number of hours that a conductor worked. As already explained, payments were made on a basis of the month, the day, the trip, or the mile. The amount remained the same whether the conductor worked 8 hours or 16, since it was an unwritten law that he must make his trip. It might be that the regular time consumed was but 10 or 12 hours, but, if, as frequently happened, it took 15 or 18 to complete the run, the conductor received no extra compensation for the additional hours. In cases where payment was on the mileage basis, 100 miles was generally counted a day's work, but, if, for any reason, the time consumed in making this distance was 16 or 18 hours rather than 10 or 12, the conductor received no additional pay. Furthermore as there were no regulations restricting the length of the work day, even regular runs consumed from 10 to 12 hours, irrespective of delays.

The number of causes which contributed to a long, tedious workday were legion. Time schedules for the trains were poorly compiled. Neither officials nor employees felt any strong pressure to run trains exactly on time. Methods of dispatching were crude, with the result that trains often stood for hours merely waiting for "running orders". Engines were frail; hence "engine failures" were fre-

quent. Sometimes this would mean sending many miles for a new engine. Water tanks and coal chutes were not properly located, so that often a train had to be stopped out in the country while the engine was run to the nearest station for coal and water. Heavy grades were common, with the result that "doubling hills"—taking the train over the grade in two sections—was a common practice. The lack of air brakes necessitated a "rough handling" of trains. In consequence the frail link and pin couplings frequently snapped, and the "pulling out of drawbars" was almost a daily occurrence.

Delays of this character played a large part in the life of every conductor. It meant being on duty for continuous periods of 14, 16 and even 18 hours. Stories are not uncommon, based on authentic information, of conductors who, having taken out their runs one day, arrived home barely in time to take out their runs on the day following.

The result of such conditions was inevitable. Tired from overwork and loss of sleep, conductors either grew careless of, or else forgot, their "running orders". In consequence railroad accidents multiplied rapidly, and the loss in lives and property each year grew larger. The conductors, on the other hand, sought relief through stimulants. Intemperance grew at a rapid pace, and in its turn became a contributing cause to greater inefficiency and to more accidents.

These were the conditions which confronted the conductors when the Order began its trade-regulating functions in 1885. The first regulation was a simple provision that the Grand Chief Conductor should assist members in settling their grievances against the companies.¹ Encouraged by the hope of such assistance, occasional attempts were made by conductors, especially on the western roads, to come to

¹ *Executive Committee Circular*, issued at Milwaukee, Wis., Nov. 18, 1885.

understandings with their employers relative to wages and hours of work. Such agreements when successful were generally mere verbal contracts, and did not play an important part in the life of the Order. It was not until 1890, when the union became "protective" through the adoption of a strike policy, that it entered actively into the work of trade regulation.

Under the general plan adopted by the Order, conductors on each road endeavored to make agreements with their employers which would regulate conditions of employment on that road. There were to be uniform wages for all conductors in given classes of standard work, pay for work in excess of that day or run, and such minor regulations as the men could get incorporated into their agreements.

The contracts which the conductors sought to obtain provided that all men in freight service should be paid on the mileage basis. Payment was to be made at the rate of three cents per mile. One hundred miles, or ten hours of service, were to be considered a day's work, and service in excess of that amount was to be paid at the rate of thirty cents per hour. Any run less than 100 miles was to be considered as being 100 miles. Wherever possible passenger service was to be paid on a mileage basis, with a maximum monthly salary to be paid irrespective of the miles run.

The task of getting uniform regulations enacted on the different roads proved an exceedingly difficult one. Each railway was still an independent, competing unit. The combination of little properties into large lines, and of these lines into gigantic systems, so common to-day, was still unknown. Consequently, each road preferred to retain its own classifications of work and methods of payment.

The general situation was further complicated by the fact that each road was developing classes of trains to suit the peculiar need of the community which it served. Near

large forests, logging trains were numerous. In mining regions, ore trains became important. Near cities, milk trains, meat trains and suburban trains of all kinds were rapidly developing. Between large cities there were express trains. In sparsely-settled districts were combination or "mixed" trains. In the north, snow trains were essential. In mountainous regions, special mountain trains were necessary. Practically every road maintained its corps of gravel trains, dirt trains, work trains and wreck trains, and had to be in readiness to furnish circus trains, funeral trains, picnic trains and extras of all kinds and descriptions.

Thus it happened that even after the trade agreements were signed vast differences still existed regarding work regulations on the various roads. As fairly typical of the situation the agreements in force on 18 roads in 1890 have been compared.¹ This study shows that on 13 of the roads pay in passenger service was by the month. Two roads paid on the mileage basis, one by the trip and one by the day. The schedule of the remaining road contained no provision relative to passenger conductors. On through freight runs four roads paid by the month, ten paid by the mile, two paid by the day and two by the trip. In way freight or local freight service all of the roads retained a monthly wage, two paid by the mile and two by the day.

Regulations relative to a standard day and overtime pay were equally heterogeneous. Provisions as to what constituted a day's work in passenger service were so confusing as to defy unification. One road definitely stipulated that ten hours should constitute a day's work. Another provided that 200 miles should be the standard. Other roads provided that the conductor should run a given number of miles per month. Still other roads made no provisions

¹ Copies of these "schedules" may be found in the files at national headquarters.

whatever. Only four of the agreements provided definitely for overtime pay in passenger service. Of these, one road paid overtime for Sunday work only, one for work in excess of ten hours per day, and two for work in excess of a given number of miles per month.

In through freight service 16 of the roads called 12 hours a day's work, and two considered 10 hours the standard. Thirteen of the roads paid for overtime on the hourly basis, three on the mileage basis, and two, both of which paid monthly salaries, listed overtime "pro rata". In local service 16 of the roads called 12 hours a day's work, one used 11 hours as the standard and one paid on the basis of 14 hours. Twelve of these roads paid overtime by the hour, five by the mile and one "pro rata".

This general confusion in wages and manner of payment continued throughout the nineties. The making of trade agreements was somewhat checked by the panic of 1893, but with the return of prosperity in 1897, the work was taken up with renewed activity. By 1900 something approximating the desired standard had been reached on roads running west from Chicago.

No sooner had this goal been achieved than the Order found itself confronted with an unexpected difficulty. Thereafter when conductors on any of the western roads asked for an additional advance in wages or for shorter hours, they were immediately met with the reply that the company was already paying the standard rate for that territory, and that competition made it impossible for the company to pay higher wages than its competitors. For some time this policy rebuffed every effort of the Order to obtain increases. In 1902, however, some of the members conceived the idea of forming a western association for the advancement of wages. An imaginary line was drawn from Duluth to Chicago and thence southward along a

branch of the Illinois Central railroad. All roads west of this line were said to be in the western association. In July of this same year representatives of conductors on all these roads met in Chicago and drew up a joint demand asking for higher wages, shorter hours and other valuable concessions. The following month copies of this petition were presented simultaneously to the managers of every railroad included in the western association. At first the railroads refused to consider such a concerted demand, but the conductors held firm, while the fact that they had been joined in the movement by the trainmen made the position of the men doubly strong. Both organizations promptly voted to strike, if their demands were refused. This gave a gravity to the situation that had been absent so long as each road dealt with its employees as an individual group. After several months of parleying, a compromise was effected which gave an increase in pay and other important concessions to both conductors and trainmen.

The success of this movement encouraged employees in other parts of the country to attempt something similar. In 1906 the eastern association was formed. It includes all the territory east of Chicago and north of the Chesapeake and Ohio railroad. In 1909 the southern (sometimes called southeastern) association was organized. It comprises the territory not included in the western and eastern associations. In each of these territories successive increases of wages and better work conditions have been granted and in each approximate uniformity has been effected.

From the foregoing survey, it is obvious that any general estimate of wages for the entire country is open to error. President Garretson, who assisted in negotiating the first trade agreement ever made by the Order, and who since 1890 has spent his entire time in that work, says that any attempt to average wages is nothing more than "scientific

guess work". In fact, in all the controversies between the Order and the railroads there has been a notable lack of definite information in this regard. The Board of Arbitration for the controversy with the eastern association in 1913, professed its inability to compute an average compensation, and recommended that Congress appoint a committee to investigate the subject. Consequently, the reader is warned that the statistics which follow only approximate the truth.

President Garretson, in a calculation based on personal experience and an intimate knowledge of wage conditions during the past thirty-five years, estimates that in 1890, in the territory now included in the western association, wages for passenger conductors ranged from \$100 to \$125 per month. He believes that the average compensation was about \$115. In freight service, rates on nearly all the larger western properties were three cents per mile. One hundred miles was considered a day's work. This, figured on the basis of 26 days, would give a monthly salary of \$78. The 10-hour day was becoming general but was by no means universal.

In the territory now embraced in the eastern association both passenger and freight conductors were paid by the month. There were no uniform regulations either as to wages or conditions of work. Very few of the roads paid for overtime. On the whole, wages in the east were probably not more than 75 per cent of those in the west. In the south almost the same conditions existed as in the east. Pay for the most part was by the month and no provisions for overtime were made. Wages generally speaking were somewhat lower in the south than in the east.

At the present time (1913) the average rate in western territory for passenger service is \$165 per month. Freight service in that territory is paid at the rate of 4.18 cents per mile or \$108.68 per month. Rates in the east and south

(as a result of the 1913 arbitration award) are equal. The average pay in passenger service is \$145 per month. Freight service is paid at the rate of 4.1 cents per mile, or \$106.60 per month.

From the foregoing figures it is seen that during the twenty-three years from 1890 to 1913 wages in passenger service in the west have increased 43 per cent. In freight service the increase has been 39 per cent. In the east and south the percentage of increase is not computable, but it is probable that the percentage in the east has been greater than in the west, while in the south the percentage has been slightly greater than in the east. The figures furnished by President Garretson have been corroborated by Chairman E. E. Clark, of the Interstate Commerce Commission, who was Grand Chief Conductor of the Order from 1890 to 1906.

The general course of wages as estimated by President Garretson is also substantiated by a comparison of the schedules on 18 roads from 1890 to 1912. This comparison, which appears practically impossible when one first glances at the various methods of payment in 1890, can be made by reducing the rates of pay to monthly wages. Through experience and custom 155 miles has come to be reckoned as a day's work in passenger service, and 100 miles as equivalent to a day in freight service. By counting 26 days as a month's work, wages paid by the hour or by mileage can be approximated. Then, by grouping the railroads in their respective territories, western, eastern and southern, the changes according to territory may be noted. The reader must bear in mind, however, that the results thus obtained are only indicative of the *trend* of wages during the period. It may easily happen that other roads may show changes quite at variance with the particular figures here given.

From a study of the eighteen schedules it appears that the

average monthly compensation of passenger conductors on the ten roads included in the western territory in 1890 was \$103.19 per month. Through freight service on these same roads paid \$80.21 per month, and local freight \$89.72 per month. On the six roads located in the eastern territory average monthly compensation of conductors in passenger service was \$96.42 per month, and local freight \$86.02. On the two roads embraced in the southern territory pay was as follows: passenger service, \$96.50 per month; through freight, \$80.25 per month, and local freight, \$88. For a detailed study of the schedules the reader is referred to Appendix C.

In 1900 the roads in the western territory averaged \$109.72, \$79.36, and \$90.71 for passenger service, through freight, and local freight respectively. In the eastern group the figures read: passenger service, \$97.91; through freight, \$81.10, and local freight, \$87.14. The figures for the two southern roads were: passenger service, \$96.50; through freight, \$88.08, and local freight, \$97.50.

In 1910 the western roads were paying \$147.48 for passenger service, \$108.11 for through freight, and \$118.61 for local freight. In the east, passenger wages averaged \$120.66, through freight \$96.34, and local freight \$109.12. In the south, the compensation for passenger conductors averaged \$112.08, for through freight \$94.93, and local freight \$109.20. In other words, wages on the ten roads in the western territory increased from 1890 to 1910 as follows: passenger service 43 per cent, through freight 35 per cent, and local freight 32 per cent. In the east the increases read: passenger service 25 per cent, through freight 26 per cent, and local freight 27 per cent. In the south, the percent of increase was as follows: passenger service 16 per cent, through freight 18 per cent, and local freight 24 per cent. Since 1910, conductors in the west have received

one general advance in wages. In both east and south two separate increases have been granted, which would bring the average on these eighteen roads fairly close to the estimate already given.

AVERAGE MONTHLY WAGE OF CONDUCTORS

COMPUTED FROM SCHEDULES IN EXISTENCE ON EIGHTEEN RAILROADS

Western Association

	1890	1900	1910	% of Increase 1890-1910
P. T.*.....	103.19	109.72	147.48	43%
T. F.....	80.21	79.36	108.11	35%
L. F.....	89.72	90.71	118.61	32%

Eastern Association

P. T.....	96.42	97.91	120.66	25%
T. F.....	76.51	81.10	96.34	26%
L. F.....	86.02	87.14	109.12	27%

Southern Association

P. T.....	96.50	96.50	112.08	16%
T. F.....	80.25	88.08	94.93	18%
L. F.....	88.00	97.50	109.20	24%

The writer wishes to call attention to the fact that the figures given in the schedules just quoted represent merely the *rates* of pay for conductors, and when the annual wage is determined by multiplying the number of work days in a year by the rate per day, it is *assumed* that the conductors are employed each day. As a matter of fact, few conductors work continuously throughout the year. The hazardous nature of the calling means that a certain percent is always incapacitated by accidents and other injuries. Sickness is constantly thinning the ranks of the employed, while the nervous strain which accompanies the work makes it impossible for the conductor to continue at his task with a regu-

* P. T.—passenger train; T. F.—through freight; L. F.—local freight.

larity common in industries of a less exacting nature. Although it is true that the conductor is not employed every work day it frequently happens that when he is employed he works for longer hours than the stipulated work day. Thus pay for overtime plays a very important rôle in connection with wages actually received by the conductor. The amount of overtime naturally varies with the busy and dull seasons of business. It also varies in lightly and thickly settled communities, being more common in the latter. It is also found in greater abundance on those roads that operate single tracks, as compared with those that have double or triple tracks. On an average, overtime forms from 7 per cent to 15 per cent of the conductor's wage. It is interesting to note that overtime constantly tends to make his yearly earnings approximate what he would receive were he employed daily for the regulation number of hours. For instance, the present rate for conductors in through freight service on western roads is 4.18 cents per mile, which is equivalent to about \$1,300 per year. The amount annually received by western freight conductors approximates this sum. Although the wage as computed from the schedule thus practically coincides with the sum actually received, this equalization is due to the large amount of overtime work performed by the conductor.

Since 1892 the Interstate Commerce Commission has published statistics of the average daily compensation of railway employees. But the computations are open to criticism. For example, the average daily wage is secured by dividing the total amount paid a given class by the total number of days worked by the employees of that class. Such a method not only makes no distinction as to overtime pay, but it averages passenger, freight and yard conductors in one group irrespective of the fact that they all receive different rates of pay. Neither do the figures make

any distinction between the regular wage received and the amount paid for overtime. Lastly, the average daily wage thus obtained can not be used as a basis for estimating monthly or yearly incomes, because it includes a very large number of men who are employed as conductors only part of the time. In fact, as the commission itself points out, the figures are of little real value, except as they show the general course of wages over a period of years, and they are so used in this monograph.

According to the above reports the average daily compensation for conductors in 1892 was \$3.07.¹ In 1911, the amount was \$4.16, a gain of \$1.09 or an increase of 35 per cent over the wages paid in 1892. During these same years the average daily compensation of engineers rose from \$3.68 in 1892 to \$4.79 in 1911, a direct increase of \$1.11 or a percentage gain of 30. Wages of firemen increased from \$2.07 in 1892 to \$2.94, a positive increase of 87 cents or a percentage increase of 42. Other trainmen during this period advanced their wages from \$1.89 in 1892 to \$2.94 in 1911, an increase of \$1.05 or a gain of 56 per cent. Thus it is seen that the course of wages for conductors has been midway between those of other members of the train crew. The actual wages paid engineers has at all times been greater, while the firemen and trainmen have both shown a larger percentage increase.

Compared with increases granted to railway employees other than those who are members of the train crew, the wage position of the conductor is interesting. He receives a much higher money compensation than any class outside the train crew. His daily wage, for example, in 1911, was 33 per cent larger than railway machinists, 63 per cent more than railway carpenters, 71 per cent more than telegraphers,

¹ *Annual Reports of Interstate Commerce Commission, 1892-1911.*

86 per cent more than shopmen (other than machinists), 92 per cent more than station agents, 100 per cent more than section foremen, 120 per cent more than station men (other than agents), and 177 per cent more than trackmen (other than section foremen).¹

AVERAGE DAILY COMPENSATION OF ENGINEERS, CONDUCTORS, FIREMEN
AND OTHER TRAINMEN *

Year	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01
Engineers.	\$3.68	\$3.66	\$3.61	\$3.65	\$3.65	\$3.65	\$3.72	\$3.72	\$3.75	\$3.78
Firemen	2.07	2.04	2.03	2.05	2.06	2.05	2.09	2.10	2.14	2.16
Conductors	3.07	3.08	3.04	3.04	3.05	3.07	3.13	3.13	3.17	3.17
Other Trainmen.	1.89	1.91	1.89	1.90	1.90	1.90	1.95	1.94	1.96	2.00

Year	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11
Engineers	\$3.84	\$4.01	\$4.01	\$4.12	\$4.12	\$4.30	\$4.45	\$4.44	\$4.55	\$4.79
Firemen	2.20	2.28	2.35	2.38	2.42	2.54	2.64	2.67	2.74	2.94
Conductors	3.21	3.38	3.50	3.50	3.51	3.69	3.81	3.81	3.91	4.16
Other Trainmen.	2.04	2.17	2.27	2.31	2.35	2.54	2.60	2.59	2.69	2.88

* The term "other trainmen" includes brakemen, flagmen, baggage-men, switchmen, etc.

Compared with increases granted to employees outside of railway work, the wages of conductors also appear to an advantage. Statistics for the entire period are not available for the various trades, but beginning with the year 1897 it is seen that while conductors' wages have increased

¹ Report, Board of Arbitration, in the matter of the controversy between the Eastern Railroads and the Brotherhood of Locomotive Engineers, Nov. 2, 1912, pp. 58-75. Hereafter referred to as *Engineers' Award 1912*.

on an average of 35 per cent, those of workers in the baking trades have increased by 29.8 per cent; those in metal trades 12.3 per cent; those in the building trades 10.2 per cent; those in newspaper printing trades 8.8 per cent; and those in marble and stone trades 3.5 per cent.¹

As already suggested, the only fair computation of conductors' wages would be one which would properly distinguish pay according to classes and separate overtime from the regular wage. Up to the present time no such study has been made. It would be possible only by the most exhaustive investigation into the actual pay rolls of the various railway companies and would be a task that would take the entire time of a large corps of statisticians for many months. Such a study is obviously beyond the scope of the present monograph.

As a result, however, of the voluminous statistics presented in connection with the 1913 arbitration controversy, it is possible to ascertain what were actually the wages paid the various classes of conductors in 1912. The study is confined to the 52 roads included in the eastern association, and is for but one year, 1912, and does not separate the regular wage from overtime, yet it presents a very accurate picture of what conductors in the east actually received in that year.

Of the total number employed in passenger service, 5.4 per cent earned less than \$1,200; 73.81 per cent received \$1,200 but less than \$1,800; while 20.79 per cent received \$1,800 or over. The average annual compensation in passenger service was \$1,596.69. In freight service, 27.68 per cent received less than \$1,200; 66.26 per cent earned \$1,200 and less than \$1,600; 6.06 per cent received more than \$1,600, while but .74 of one per cent earned \$1,800

¹ The periods extend only to the year 1910, except that for conductors which is to 1911. *Bulletin Bureau of Labor Statistics*, no. 131, Aug. 15, 1913, p. 6.

or over. The average compensation paid in freight service was \$1,299.83. In yard service 41.66 per cent received less than \$1,200; 57.11 per cent earned \$1,200 and less than \$1,600; while but 1.23 per cent received \$1,600 or over.¹

ACTUAL WAGES PAID CONDUCTORS IN THE EASTERN TERRITORY, FROM NOVEMBER, 1911, TO NOVEMBER, 1912, INCLUSIVE

	Total Number Employed.	Average Yearly Earnings.	Per Cent. Earnings.			
			Less than \$1200	\$1200-1600	\$1600-1800	Over \$1800
Passenger Conductor.	4,017	\$1,596.69	5.40%	45.60%	28.21%	20.79%
Freight Conductor.	7,685	1,299.83	27.68%	66.26%	5.32%	.74%
Yard Service Conductor.	4,073	1,112.02	41.66%	57.11%	1.23%	.....
Total	15,775	1,356.22	25.60%	58.66%	10.08%	5.66%

No yard service conductors received as much as \$1,800. The average annual compensation in yard service was \$1,112.02. The average compensation for conductors irrespective of class was \$1,356.22.

It must not be assumed, however, that these figures represent the actual wages of *all men employed as conductors* on these roads during the period named. For example, only 15,775 men were employed exclusively as conductors, while 13,473 additional men were employed partly in the capacity of conductors and partly in the capacity of other trainmen. The average annual earnings of this latter class were \$1,112.02, or \$484.67 less than the average annual earnings of

¹ Statements prepared by the Conference Committee of Managers, Eastern Territory, for the Board of Arbitration, New York, September, 1913. Exhibit 6.

bona-fide conductors. Of the average received by those who performed service in double capacity, \$437.74 was earned as conductors and \$674.28 was earned as "other trainmen".

The average annual compensation paid other trainmen during this period was \$1,062.64, or \$295.58 less per man than the wage received by conductors. If we accept the computation made by the Board of Arbitration previous to its award in 1912, engineers on roads in the eastern association were receiving average annual wages of \$1,400.¹

Basis of Wage Payment

We have seen that for many years several different methods of paying conductors were in vogue, but that more recently the tendency has been distinctly towards the adoption of the mileage plan. The fundamental idea underlying this method was expressed in the Clark-Morrissey award of 1910, in a sentence that has since become classic in railway literature. It reads: "The theory underlying a mileage schedule of pay is that the employee will be paid for all the service he renders and the company will not pay for any service that it does not get."¹

There is, however, one very important exception to this statement. The element of time often modifies the basic idea of the mileage plan. That the framers of the above definition were fully conscious of this is evident since they added: "Unlike men in ordinary industrial trades employees on trains must, in order to enjoy any of the comforts and advantages of home life, have their runs so adjusted as to give them the greatest practicable amount of time at home. . . . On the other hand, the exigencies of

¹ Exhibit 6. *Op. cit.*

² *Award*, Arbitration between the Eastern Railroads and Order of Railway Conductors and Brotherhood of Railroad Trainmen, Nov. 10, 1913, p. 23. Hereafter referred to as *The Award of 1913*.

the business are such that the responsible managing officers of the road must have reasonable leeway within which to adjust the number and time of their trains, and the points between which they will run in such a way as to best and most satisfactorily serve the public."

It is thus seen that the necessity of public service puts the time element to a large extent beyond the control of both railroads and men. From the very nature of the work it is not possible for a man to leave his home in the morning and return to it again at evening, as does the worker in ordinary industrial pursuits. It very frequently happens that the conductor's "lay over" period is away from home. This not only means that he is thus away from his family during much of his leisure time, but he is subjected to a continual expense for board and lodging. On many runs the actual time employed by the conductor in going from one point to another is considerably less than a full day's work, yet the hours consumed in "lay over" periods, and the payment of board and lodging may easily bring the expenses of the trip to a point higher than it would be, were it possible for him to be employed for longer hours but have his "lay over" periods at home. The place and extent of these "lay over" periods are subject to such variation as to make it entirely impracticable for the conductor to move his family to the point of "lay over". Often, too, the time is about evenly divided between two cities. In such instances the time element becomes a factor of equal importance with the labor element.

The present tendency of boards of arbitration is to emphasize the time element. The Board in the 1913 controversy, in commenting upon the factors which underlie wages, said: "The trainmen have but two things to sell, their time and their labor; and it is fair that they should receive remuneration for the time they place at the disposal

of the railway as well as for the labor they expend in its service."¹

Standardization of Wages

From the statistics that have been presented, it is seen that there has never been a standard wage for conductors in the United States, but that the tendency is distinctly in that direction. The movement toward standardization was begun when the western, eastern and southern territories were created, and wages on the various roads in each of these territories were made uniform. A second stage was entered in 1913 when rates of pay for the eastern and southern districts were equalized. But one more step remains to be taken. Wages in the west still vary from the uniform rate now existing in the east and south.

This situation brings up the interesting question of whether or not a standard wage for the whole country is desirable. The Order answers such a question in the affirmative. The railroads deny the practicability of such a scheme. The public, so far as it has asserted itself through boards of arbitration, has taken the ground that the plan is desirable, but only under certain conditions.

The first contention of the Order in favor of standardization is that (with the exception of desert and mountainous regions) conductors in all parts of the country have approximately the same tasks to perform, that is, the work of passenger conductors, for example, is about the same, whether it be performed in Maine or California. Consequently there is no valid reason why all conductors should not be paid at the same general rate.

Not only does the union believe that conditions of work are the same, but also that the circumstances which affect

¹ *The Award of 1913*, p. 28.

living conditions of conductors are year by year becoming uniform. President Garretson, in his testimony before the Arbitration Board in 1913, expressed the belief that a conductor could live anywhere within a radius of 1,000 miles from Chicago, and, with the exception of a few local variations, enjoy practically all the comforts and opportunities of life that are open to conductors in any other part of the territory. Under such circumstances standardization can not work injury to any class of conductors.¹

As illustrating the absurdity of the present method of paying by territory, one witness testified to conditions on the Chicago and Eastern Illinois Railroad and on the Chicago, Indiana and Southern Railroad. These lines run parallel from Chicago to Danville. Both are "coal roads". Both are affected by the same conditions of employment and business. Yet the Chicago and Eastern Illinois pays western rates, while the Chicago, Indiana and Southern pays eastern rates.²

The Order argues that standardization would work no injury to the railroads themselves. Not only are all tasks the same on the various roads, but, through the adoption of the Book of Rules by the American Railway Association, the railroads are actually operating under the same general regulations, while through the efforts of the Master Car Builders' Association the work of standardizing cars is going on rapidly.³

Lastly, the Order points out that the practicability of standardization has already been demonstrated. This is true not only on a small scale in the western, eastern and southern territories, but for the country as a whole. Railway mail clerks, who work under conditions strikingly

¹ *Award of 1913*, p. 12.

² *Ibid.*

analogous to those of conductors, are paid uniform rates (according to the class they are in) irrespective of the particular part of the country in which they live.

The railroads, on their part, deny that standardization is possible. They assert that there is a "natural" rate for various parts of the country. As illustrative, they point out the fact that wages have always been higher in the west than in the east. This is due partly to the fact that general wages have always been higher in the west than in the east, and partly to the fact that runs in the west are longer, and that the risk due to more meagre equipment, is greater. On the other hand, they explain lower wages in the east upon the ground that where there is a dense population necessitating shorter runs, greater double trackage and higher standards of equipment making for safety and ease of work, wages should naturally be lower.¹

They point out that railway postal clerks are not fair examples of standardization, for mail clerks are paid by the government, which not only has a monopoly of its business, but does not even try to make profits from carrying the mails. Hence, it can afford to pay wages that would be out of the question for private companies.

The argument on which the railroads lay most stress is that a road's ability to pay wages is governed primarily by its earning capacity. This capacity is not a uniform factor. It is different in mountainous regions and in prairie lands, and vastly different in thickly-populated regions, and sparsely-settled communities. Some roads naturally have large receipts per mile; others have relatively small receipts.² Some roads, due to advantageous location or exceptional management, are naturally strong. Others are naturally weak. Under such conditions, to make all

¹ *Award of 1913*, pp. 13-14.

² *Ibid.*

roads pay uniform wages would be decidedly unfair both to the big and to the little.

To this argument the Order replies that while it is doubtless true that such conditions once existed among American railroads, it is not the case to-day; that within recent years the consolidation of roads into great systems, and the unification of rates by the Interstate Commerce Commission have done away with the great differences that once existed. Where actual consolidation has not taken place the same result has been secured through interlocking directorates. Little roads to-day are nothing more than feeders for big lines. In the eastern wage controversy of 1913 the Order presented statistics which showed "that of the 52 roads in the east only 29.8 per cent were independent of stock ownership by or in other roads of the 52; that only 24.56 per cent were free from intercorporate relationship, and that among the remaining companies there exists an extensive system of intercorporate ownership of stock", which was found not only in the various systems of roads, but between the systems themselves. With ownership so centralized, the Order asserts that any argument based on the assumption of weak and strong roads falls to the ground.¹

Public sentiment in the controversy so far as it is reflected by boards of arbitration has been favorable to the contentions of the Order. At the same time, barriers have been found to exist which have made the immediate adoption of any standardization plan impossible.

The Board which handed down the award in the engineers' dispute of 1912 said, in part:

¹ Exhibits submitted before the Board of Arbitration in the Concerted Wage Movement, Eastern Territory, 1913, by the Order of Railway Conductors and the Brotherhood of Railroad Trainmen, September, 1913, pp. 190-223.

The Board hold to the view that the nature of the service rendered is the paramount factor, and that if any standardization takes place, the fact must be recognized that where there is greater responsibility or greater strain there should be larger pay, and this without respect to whether the division operated belongs to a large system or is controlled by a large system or is "independent".¹

The Board in the controversy of 1913 went even farther. It said: "In the universal conception of the day interstate railroading is a national public utility; being such, uniform rates of pay for the same class of service are likely to prevail, sooner or later, in all parts of the United States where permanent natural conditions do not forbid."²

Both boards, however, expressed their inability to set a standard rate both because of lack of information upon which to form conclusions, and because the employees refused to entertain any proposition to standardize "downward", that is, where two rates exist for the same class of work, the Order insists that the higher rate shall be the standard.

Partly to do away with these obstacles the Board in 1913 recommended the appointment of a committee to study wages with special reference to standardization. It also recommended that the Order put itself officially on record as favoring a standard wage. With these two things accomplished the Board believes that in future controversies the problem of a standard rate will not be so difficult of solution.

¹ *Engineers Award of 1912*, p. 36.

² *Award of 1913*, p. 15.

CHAPTER VII

PRESENT-DAY ARGUMENTS CONCERNING WAGES AND HOURS

IN the controversies relative to wages and hours which are to-day carried on between the Order and the railroads, both parties have developed definite lines of argument. Some of the contentions are those common to trade-union disputes in general; others relate specifically to railroad-ing. The considerations usually conceded to govern wages are substantially as follows: (a) The hazardous nature of the calling, (b) the responsibility of the conductors, (c) the long terms of apprenticeship required, (d) age-limit rules, (e) the increased productivity of the conductors, and (f) the increased cost of living.

Present-day wages and hours of service depend in a large measure upon the ability of the Order to present these points effectively, and to reënforce them by its power to call a strike. Obviously, however, the view points of the railroads and at times the public, do not coincide with that of the conductors. In the present chapter an attempt is made to give the three points of view taken by the Order, the railroads, and the public respectively.¹

¹ As illustrative of the public's point of view the writer has used the awards handed down in boards of arbitration. Some railroad officials have criticized such a plan upon the ground that such awards are mere "compromises". Even granting this contention, the writer is still of the opinion that the "compromises" are fairly representative of the public attitude up to the present time. The writer has also avoided giving his personal opinions or arguments, it seeming more proper merely to present the arguments commonly used by both sides, and to allow them to stand uncriticised in regard to points both of weakness and of strength.

(a) *Hazardous Nature of the Calling.* The Order calls attention to the fact that conductors are engaged in an occupation where accidents and death are of frequent occurrence. As illustrative of these dangers, figures are presented from reports of the Interstate Commerce Commission showing that each year one in every ten trainmen is either killed or injured while in the discharge of his duty. Since 1890 the number so killed and injured totals over one million. As showing the growing hazards it is pointed out that the number annually killed and injured increased from 24,847 in 1890 to 92,128 in 1907. The Order claims that this increase has been due to longer trains, greater speed, and the larger volume of business transacted by the roads.¹

Even the figures published by the Commerce Commission are said by the conductors to understate the facts, one reason for this being that these reports have to do only with those injuries or deaths officially reported to the claims department of the railroad. "From this mere statement," said the men in the 1913 wage controversy, "it is very evident that thousands and tens of thousands of railway employees have been injured annually of which there is no official record in the Commission's reports."

The reason is obvious. If an injured employee presented a claim against the company and attempted to enforce it by action in court (which until the advent of workmen's compensation laws was his only recourse) it was equivalent to losing his job, for railroads dismissed from their service anyone bringing suit against them. Consequently, the injured employee would not file a claim for damages unless convinced that he was permanently incapacitated.

¹ Exhibits submitted before the Board of Arbitration in the Concerted Wage Movement, Eastern Territory, 1913, by the Order of Railway Conductors and the Brotherhood of Railroad Trainmen, September, 1913, pp. 116-129.

Furthermore, each road is permitted to form its own interpretation of what constitutes an accident or an injury to its employees. "It is to be assumed that different roads have interpreted these words differently and many accidents or injuries to employees might not be officially recorded because they did not come within the road's definition of an accident or an injury."¹

The only instruction given by the Interstate Commerce Commission is that an employee is not "officially" injured, unless incapacitated "from performing his accustomed service for more than three days, in the aggregate, during the ten immediately following the accident." Those injuries or accidents which do not fall within these provisions are officially "as if they had not occurred", yet it is very possible for a man to be severely injured, as by the loss of fingers, by bruises, *etc.*, and still not be incapacitated for duty, or, as is often true, the injury does not develop symptoms of a serious nature until after a number of days has elapsed. Moreover, a man is not "officially dead", according to the Commission, unless he dies within 24 hours following the accident, yet it is obvious that many die only after an interval of several days or weeks.

The Order gives as another proof of the dangers of railroading the fact that the conductors are either excluded from participation in ordinary life insurance, or can obtain policies only as "extra hazardous" risks, which means payment of a premium so high as automatically to exclude the great majority. Hence, the Order is compelled to operate its own insurance company, which it does only at great expense. Moreover year by year the Order is being forced into the work of social insurance. Sick and injured members must be cared for. It urges that these burdens are incident to the business of railroading and should, therefore,

¹ Exhibits, *op. cit.*, p. 116.

be borne by the industry, and asks for additional compensation to cover expenditures for such purposes.

In answering these arguments the companies do not deny that the risk to employees is increased by longer trains, more business, *etc.*, but maintain that these are more than offset by new safety devices. Patent couplers, air brakes, automatic signals, double tracks, and, more recently, steel cars, are every year reducing the likelihood of injury. The companies point out that while the total number of killed and injured has increased, yet the proportion so killed and injured to the total number of men employed is constantly decreasing. They explain that a large percent of injuries occurs during busy seasons when inexperienced men are employed—a fact for which the railroads are not primarily responsible, especially to the extent of increasing the salaries of all conductors. As to the expense of insurance and other social benefits, the companies insist that such facts are already considered in determining the wage scale. Lastly, they emphasize their own attempts to provide insurance for their employees on practically a cost basis.¹

The boards of arbitration have almost uniformly recognized the hazards of railroading. They have favored high wages and increased use of safety devices. At the same time there has been no disposition to place the burden of relieving hazards entirely upon the railroads. Thus the Board in 1913, after urging the greater use of safety devices, advocated an increase in freight rates in order that the railroads might install safety appliances. It said, in part: All these things cost in the aggregate an immense sum of

¹ The fact that the arguments given in this chapter are of a most general character makes it almost impossible to give proper citations as to where they may be found. Any of the "Proceedings" of the various boards of arbitration will contain many of them in one form or another. A number have been secured by the author through interviews with officials, both railroad and union.

money. Any policy that would make it impossible for the railroads to command this money would be a profound misfortune to the whole nation. Such a policy would be criminal in the sense that it would make the great army of railroad employees, who are numbered by the hundreds of thousands, follow their hazardous occupations under conditions more hazardous than are necessary, and, indeed, more hazardous than are justifiable in a country like this.¹

(b) *Responsibility.* Closely associated with the foregoing argument is that relating to the responsibility placed upon the conductor. The Order argues that much more is demanded of its members than of the average industrial worker. Not only is he obliged to see that the train makes its time and that the train crew performs its duties, but in a very true sense he is guardian of the passengers. The welfare and even the life of the traveling public depend upon his judgment. If the passengers are injured through negligence on the part of the conductor, he is not only dismissed from service, but may be held criminally liable and, if found guilty, may be sentenced to prison. It is obvious that the nature of the conductor's calling necessitates the most exacting attention to duty, with ability to act intelligently in an emergency. The Order claims that the high grade of service required of its members entitles them to relatively short hours and liberal remuneration.

The railroads admit the responsibility placed on the conductor, but they claim he is already paid in due proportion; that his compensation, in fact, is larger than in other industrial pursuits where responsibility is also an important factor. The roads also assert that by means of double tracks, automatic signals and improved methods of train dispatching, less and less is being required of the conductor.²

¹ *Award of 1913*, p. 31.

² *Reply Brief of the Railroads, Arbitration, Eastern Territory, 1913*, p. 6.

The public is inclined to place great emphasis upon the argument of responsibility and on that ground demand that railroads pay wages sufficient both to attract men capable of intelligent action, and to keep those men at the highest point of mental and physical efficiency. As a consequence, not only have boards of arbitration generally sanctioned movements for shorter hours and increased wages, but a large number of state and federal laws have been passed limiting the hours of service for men engaged in railway work.

(c) *Long Terms of Apprenticeship Required.* Because of the arduous nature of the work, a young man can not enter it at the age of 14 or 16, as is true in trades like bookbinding, printing, plumbing, etc. Thus not only is he compelled to begin his chosen work later in life, but the term of apprenticeship is relatively longer than in the average industry. An employee must serve about six years as brakeman before becoming a freight conductor; and as freight conductor another six years before being considered competent to enter the passenger service. The Order argues that under such a system the conductor becomes especially valuable to the railroad, and should be paid accordingly.

The railroads admit the long term of years required to attain the position of conductor, but claim it is due to trade-union regulations. The railroad brotherhoods all insist that promotion shall be governed primarily by seniority rules. Hence, the companies are prevented from promoting skillful employees over the heads of less competent men who have been longer in the service. The railroads argue, furthermore, that the whole apprenticeship system is more apparent than real. The work of a brakeman, for example, is not a boy's work, but a man's, and he is paid regulation wages from the very beginning. The work of a conductor is regarded as better employment and is more highly paid

than that of a brakeman. Thus the system is not one of apprenticeship but of promotion in that it affords opportunity for advancement in the service.

(d) *Age-Limit Rules.* The Order argues not only that the term of apprenticeship for the conductor is unusually long, but that the railroads are continually limiting the period of his industrial activity. This is accomplished through the enforcement of rules governing age, physical and mental qualifications. Thus if an old, experienced conductor loses his position for any reason he often finds it impossible to reënter the train service, owing to the preference of railroads for young men. Some members of the Order estimate the maximum age at which men are taken into the service as conductors to be 35 years. Moreover, older conductors are continually being dismissed because of failure to pass new eyesight and hearing tests, new examinations on "books of rules", and similar stringent regulations. The Order insists that if the companies, through age-limit rules and other restrictions, wish to shorten the period of industrial activity of the conductor, then they should be compelled to pay him relatively high wages for the years that he is employed.

In reply the railroads assert that public safety demands the enforcement of adequate age-limit and similar restrictions. They claim that efficient conductors have little difficulty in retaining their positions or obtaining new ones.³ Moreover, faithful employees who become unfitted for train service are provided with less exacting work, or are retired on pensions paid by the company.

(e) *Increased Productivity of the Conductor.* The Order maintains that the conductor is entitled to higher wages because his productivity is constantly being increased. This

³ *Reply Brief of the Railroads, Arbitration, Eastern Territory, 1913, p. 9.*

is proved by the fact that the men do more work to-day than formerly. At present a passenger conductor frequently "handles" from five to six hundred passengers per trip, whereas formerly it rarely exceeded half that number. Freight conductors were formerly in charge of trains of twenty-five or thirty cars, while to-day freight trains often contain three or four times that number. Still another evidence of increased productivity is seen in the practice of using three to five engines on one train. This enables the company to transact more business with the employment of but one conductor.

Railroads generally pay little attention to such arguments except to insist that the present wages fully compensate the conductor for his work.

Boards of arbitration, on the other hand, have interested themselves in this subject. The Board in 1913 was favorable to granting higher wages to conductors because of the additional work due to longer trains, but denied that his productivity was effected by the use of more than one engine to a train. Under such conditions, said the Board, the increased productivity is due to the engines, not to the conductor.¹

(f) *Increased Cost of Living.* The fact that during recent years nearly all prices have risen rapidly furnishes the Order with an argument for higher wages to cover the increased cost of living. Each rise in the price of necessities reduces the purchasing power of the conductor's wage and tends to lower the standard of living, thus affecting his efficiency.²

¹ *Award of 1913*, p. 22.

² Exhibits submitted before the Board of Arbitration in the Concerted Wage Movement, Eastern Territory, 1913, by the Order of Railway Conductors and the Brotherhood of Railroad Trainmen, September, 1913, pp. 169-176.

The railroads generally admit the force of this argument but insist that they have raised conductors' wages sufficiently to cover the increased cost of living.

The public has attached great importance to this consideration. It has practically taken for granted that wages should at all times be raised to an amount sufficient to cover the increased cost of living due to higher prices. The only question has been to determine the relative rise in wages and in cost of living. The Board of Arbitration in 1913 went so far as to make its award correspond to its estimate of the increased cost of living. Its investigation, however, went back to the year 1910 only.¹

Since the Order began its active policy for securing increased wages in 1890, we have endeavored to obtain figures for this longer period. Unfortunately there is a dearth of reliable information regarding the cost of living for these years. Government and private investigations of family budgets as a whole cover only the last few years. Consequently it has been impossible to decide definitely just how far the cost of living for conductors has risen since 1890, but by utilizing such information as was available and by supplementing it to some extent with original investigations applying specifically to conductors, the writer believes that a fair estimate has been secured.

In making this study, expenses of an average family of five were used as the basis. Expenditures were proportioned among given items as follows:

¹ *Award of 1913*, pp. 17-8.

	<i>Percent of Total Expenditure</i>
Food	40%
Rent	19
Clothing	15
Fuel	6
Lighting	1.5
Organizations (fraternal, labor and insurance).....	5
Incidentals (including books and newspapers, amuse- ments, charity, sickness, etc.).....	13.5
	—
	100%

Since these apportionments vary in some respects from those commonly made for families with incomes ranging from \$1,000 to \$1,500 per annum, some explanations are in order. The percent of the total income spent for food, for instance, is slightly in excess of the amount ordinarily allowed. Yet when it is recalled that the conductor is at almost constant expense for board caused by "lay-overs" and the like, the percent here given appears to approximate the truth. In much the same way some critics may feel that the amount allowed for clothing is excessive. Again it must be borne in mind that the nature of railroading puts heavy toll upon the clothing expenditures of employees. In freight service the conductor finds it always desirable to carry with him "work" and "street" clothes, while in passenger service the number of uniforms that a conductor must buy each year (both winter and summer weight) is generally specified by the railroad. In case of rents¹ the percent is higher than that com-

¹ To secure information on rents, the writer sent out a questionnaire to 1,000 members who were conductors as early as 1890, asking for their monthly rent for the years 1890, 1900 and 1913. The fact that replies were received from only one-third of the inquiries greatly impaired the usefulness of the information. The questionnaire revealed

monly allowed, but the statistical data at hand seem to warrant such an apportionment.

It is seen from the foregoing chart that the largest single item of expense is that for food. Studies have been made (1890-1913) by the United States Department of Labor, to determine the average price of fifteen articles of food, constituting two-thirds of the food-expenditures of the average workman's family. These figures are not comprehensive, as they have been gathered from large industrial centers only, but accepting them as the best available, and assuming that conductors continued throughout this period to buy the same kinds and quantities of foods, the expense for this item increased 59 per cent.

PERCENT OF INCREASED COST OF FOOD (RETAIL PRICES) 1890-1913¹

<i>Food</i>	<i>% of increase</i>	<i>Food</i>	<i>% of increase</i>
Sirloin steak	60.8	Hens	66.5
Round steak	84.5	Flour, wheat	27.4
Rib roast	62.7	Corn meal	56.1
Pork chops	89.4	Eggs, strictly fresh	56.0
Bacon, smoked	111.6	Butter, creamery	63.5
Ham	69.1	Potatoes (Irish)	23.6
Lard	62.3	Milk, fresh	40.1
Sugar, decrease of	4.9		

¹ This table is taken from p. 175 of *Employees Exhibits, Arbitration, Eastern Territory, 1913*, and is summarized from *Bulletin 113, U. S. Bureau of Labor*.

the interesting fact that about 60% of the conductors who replied own their homes.

Other factors have also greatly interfered with the use of these figures as a basis for scientific conclusions. For instance, the conductor frequently moved from one town (and state) to another; if he remained in the same place the house sometimes deteriorated or was rebuilt. Again the period covered was sufficient for the conductor to rear a family and receive aid from them either in paying rent or buying property. The figures, however, at least show the tendency of conductor's rents during the last quarter of a century.

The advance of rents, which constitute the second largest item of expenditure, has been even more pronounced. From computations based upon the information collected by the writer, the amount paid in rents by conductors has advanced over 66 percent during the period named.

AVERAGE MONTHLY RENT OF CONDUCTORS

Year	Amount	Year	Amount	Year	Amount
1890.....	\$15. +	1900.....	\$17. +	1913.....	\$25. +

It has been impossible to secure the actual increase for the other items in the list, but there are good reasons for believing that they will average about the same as food and rent. Clothing, for instance, if complete data were available, would doubtless show a greater increase than either food or rent. Light, on the other hand, has doubtless decreased. Taking into account all the varying factors, it seems that a conservative estimate would place the increased cost of living, from 1890 to 1913, at 60 percent, while wages during that period rose 40 percent.¹

¹ Although, as has appeared in the present chapter, the Order is even now placing emphasis on conditions of work other than those related to wages and hours, it has never, in a strict sense of the term, attempted to extend its *regulation* beyond wages and hours. The tendency at present, however, is irresistibly in that direction. Every year sees greater attention directed to questions of age limit, physical and mental examinations, bonding of conductors, *etc.* In 1913 the Grand Division went so far as to recommend that in future negotiations with the railroads the grievance committees should place chief emphasis upon "conditions of work" rather than on questions of wages and hours.

CHAPTER VIII

NEGOTIATION—MEDIATION—ARBITRATION—STRIKES

EVERY trade union finds it necessary to adopt certain measures by which it can enforce its demands. Broadly speaking, there are three such means in common use. These are known as the method of mutual insurance, the method of collective bargaining and the method of legal enactment¹ or legislation. Mutual insurance, when used by a trade union as a regulatory measure, includes primarily the payment of out-of-work benefits. The chief object is to prevent a member from being forced by adversity to accept less than the union rate of pay. Collective bargaining is said to take place when a union through its authorized representatives bargains with the employer on behalf of the whole union or trade collectively, and is to be contrasted with individual bargaining wherein each employee deals alone with his employer. By means of legislation, trade regulations are made enforceable by law.²

So long as the Order remained a fraternal and beneficiary organization it did not need elaborate administrative

¹ For a detailed explanation of these three methods the reader is referred to S. and B. Webb, *Industrial Democracy*, chaps. i, ii, and iv, respectively.

² Under legal enactment the regulation usually applies to the entire industry, including all employers and employees whether unionized or not. A good example of legal enactment is the so-called sixteen-hour bill passed by Congress prohibiting the employment of men engaged in train service for longer periods than sixteen consecutive hours.

machinery, but when it undertook to regulate its trade activities, some means by which this work could be performed effectively was imperative. The method of collective bargaining was first employed. From a feeble beginning in which the railroads were dealt with in a most haphazard way it has been extended and amplified until there is now a definite mode of procedure including the following steps: negotiation, mediation, arbitration and strikes.¹ Collective bargaining antedated by only a few years the general use of legislation which is constantly growing in importance. On the other hand, the mutual insurance features of the Order have never been used as trade-regulatory measures, but have pursued persistently their original purpose, namely, that of ministering to the needs of members in times of "sickness, accident and death".

1. *Negotiation.* The first step in the direction of collective bargaining was provision for direct negotiation. By this means the Order sought to secure a settlement of its difficulties with the railroads without the use of force. In 1885 the Grand Division stipulated that controversies should be settled in this manner.² It provided that when a member of the Order had a grievance against the railroad, he should notify the local in which he held membership. If the case appeared to be valid, the subordinate was to appoint a committee of three, called a grievance committee, to investigate it in detail. These men reported their findings back to the local, and, if so instructed, took the matter up with the division railroad officials. In case they failed to effect a settlement, they could call to their aid the Grand Chief Conductor, who brought the influence of his office to

¹ The counterpart of the strike from the standpoint of the employer is the lockout. Cases of lockouts on American railroads are, however, extremely rare.

² *Executive Committee Circular*, issued at Milwaukee, Nov. 18, 1885.

bear on the matter. These provisions, however, did not prove entirely satisfactory. The temporary nature of each committee made it impossible for the members to become experienced in the settlement of disputes; hence, they frequently failed to make adequate investigation before taking up the grievance with the railroad officials, and in case a favorable decision was not at once forthcoming, either became discouraged and dropped the matter, or summarily appealed it over the heads of the division railroad officials.

To obviate these difficulties the Grand Division in 1891 made important changes which in the main are still in force. A degree of permanency was given to the grievance committees by providing that the term of office should be two years. To prevent hurried investigation, it was stipulated that no grievance should be taken up by the committee until the facts relative to it had been submitted in writing to the local division and ratified by that body. Hasty appeals over the heads of local railroad officials were prevented by prohibiting such appeals until the committee had secured from the railroad officials a signed refusal to settle the controversy. It was further provided that members of the local committees should receive pay for their services, and other regulations were passed which tended to put the work on a stable basis.

The most far-reaching change was the creation on each road of a General Committee composed of the local chairmen.¹ Cases which the local failed to settle might be appealed to this committee. It might also negotiate wages, hours, and other important matters for the entire road.

¹ If, as is sometimes the case, the road is under the management of more than one general superintendent, a separate committee is formed in the territory controlled by each superintendent. The chairmen of these committees constitute a System Advisory Board and act in matters affecting the entire road.

The chairman of the General Committee was to receive an annual salary and to devote his whole time to the work. Other members were to receive pay for the actual time used in performing committee work. To prevent possible delays by the locals in paying their committeemen, the Grand Secretary and Treasurer was empowered to pay all such bills, and charge the expenses to the locals of the respective roads involved. A fund of \$30,000 was placed at his disposal from which bills were to be paid pending the collection of such assessments.

With the formation of the western, eastern and southern territories, the use of grievance committees was further extended. In each of these territories the chairman of the various general committees banded together in an "Association of General Committees" to consider all matters affecting the welfare of the territory as a whole. The concerted wage movements of the last few years, described in Chapter VI, have all been conducted by such associations.

These changes put negotiation on a firm basis. The questions settled by this means grew from a few trivial matters to include many issues of vital concern. In his report for 1913 the president enumerated nearly 400 important questions that the general committees had negotiated during the two previous years, while the number of minor matters adjusted annually totals well into the thousands. The by-laws of the Order now provide that committeemen must attempt to settle all grievances by negotiation before resorting to other means, and only the more important matters pass this stage. The extent to which grievance committees have been developed is seen by the fact that the expense of conducting this work has increased from \$961.20 in 1891 to over \$380,000 in 1912. The total amount expended during the period has been over two and one-half million dollars.

EXPENDITURES OF ADJUSTMENT COMMITTEES

Year	Expenditure
1893.....	\$681.24
1894.....	20,607.75
1895.....	6,698.42
1896.....	8,302.65
1897.....	5,001.89
1898.....	18,634.88
1899.....	17,113.03
1900.....	36,379.44
1901.....	30,323.75
1902.....	58,512.14
1903.....	191,779.36
1904.....	97,511.85
1905.....	74,639.47
1906.....	166,213.43
1907.....	269,045.18
1908.....	196,995.14
1909.....	149,125.36
1910.....	270,593.47
1911.....	242,938.02
1912.....	387,016.47
1913.....	343,812.02

2. *Mediation.* In case negotiation fails, usually the next step in settling a controversy is mediation, which takes place when some person not a party to the dispute endeavors to persuade the contestants to settle their differences amicably. The third party represents interests which would be greatly injured in case of a serious rupture between the railroads and the employees. At first, mediation was carried on solely by private citizens who for one reason or another wished to avert the threatened trouble, but the great Pullman strike of 1893 awoke the general public to an acute realization of its interest in the matter. Sentiment grew so strong in favor of preventing further railroad strikes that in 1898 Congress passed the Erdman act providing for mediation and arbitration proceedings in case of railroad disputes, and in recent years most of the im-

portant examples of mediation involving the Order have been settled under the provisions of this law.

The act stipulated that some member of the Interstate Commerce Commission¹ and the Commissioner of Labor should constitute a Board of Mediation and Conciliation. Though this board was not given the power to offer its services, it might be summoned by either the railroads or the employees. Upon request, the mediators went at once to the scene of the trouble. The customary mode of procedure was for the member of the Commission to meet with representatives from the railroad and the Commissioner of Labor with those from the union, each endeavoring to persuade the contestants to settle their differences without friction.

For a number of years neither the railroads nor the unions showed any inclination to ask aid from the mediators,² but in the closing days of 1906, the Southern Pacific, on the eve of a strike by the engineers and firemen, sought the assistance of the law. The settlement effected was so satisfactory to both sides that other requests to the Board were made in 1907, and thereafter its aid was asked in almost every serious trouble. During the period from 1898 to 1912, the Order was a party to eight disputes which were settled by mediation in accordance with the provisions of the Erdman act.

Two other applications under the law were made during this period, one of which was refused by the railroad and the other by employees.³

¹ Later changed to a member of U. S. Commerce Court.

² Just one year after the law was enacted the Trainmen endeavored to invoke the aid of the law but the railroads refused. Following this failure no further attempts were made until the one in 1906 noted above.

³ A total of 43 cases came before the board from 1898 to 1912. In all but 12 settlement was reached by mediation.

The plan, however, did not prove entirely satisfactory. The fact that the mediators were powerless to act unless specifically requested to do so by either the railroads or the dissatisfied employees, was felt to be a serious weakness. It meant that even a strike or a lockout might be called before the public's advice or opinion had been asked, though the law was intended primarily to safeguard the interests of the public. On the other hand, the services of the mediators were at times in such demand as to interfere with their other official duties. In addition to acting as mediators, the two government officials spent much time in defining terms of settlements which had been agreed to under previous mediation proceedings, but which had been referred back to the mediators for official interpretation.

To remedy these defects, Congress in the Newlands act of 1913 made two important changes in the mediation provisions. It created a permanent board, the members of which should devote their entire time to the work of mediation and arbitration; and it provided that in any dispute where an interruption of traffic was imminent, the board might volunteer its services.

3. *Arbitration.* If the two parties cannot be persuaded by mediation to come to an agreement between themselves, the next recourse is to induce them to submit their grievances to a third party for settlement. This is called arbitration. Each side presents its case in full before the arbitrators, who decide upon the merit of the various claims and make an award, which is binding upon both parties. Former Grand Chief Conductor Clark was a firm believer in this method and under his influence the Order on several occasions in the early 90's submitted its grievances to arbitration.

As already noted the Erdman act of 1898 contained provisions for arbitration as well as for mediation. The

act stipulated that in case mediation failed, the Board should attempt to induce both sides to arbitrate their differences. In event of arbitration, the roads and the Union were each to name one arbitrator. These two were to select a third, or, if they failed to do so within five days, the third was to be named by the original mediators.

The hearings of the arbitration board resembled those of an ordinary court, the arbitrators sitting as the jury. Both railroads and union were represented by counsel. All witnesses gave testimony under oath and were subject to cross examination by the opposing party. The arbitrators listened to the testimony for both sides, after which they prepared their award. The maximum time allowed for conducting hearings in any case was thirty days, during which period both parties were to remain in *statu quo*.

The award made by the Arbitration Board was filed with the United States Circuit Court and ten days were allowed for either party to take exceptions to it. Such exceptions, however, could relate only to an "error of law apparent on the record." If none were taken, the decree became binding on both sides for one year. If exceptions were taken, the circuit court passed on them much the same as in a case appealed to it from a lower court.

In the controversies to which the Order was a party, the arbitration provisions of the Erdman act were employed only once.

These provisions, as well as those concerning mediation, contained certain weaknesses which appeared when put to practical test during the years 1910 and 1911. For example, a committee of three was found too small for the work. In actual practice, the arbitrators chosen by the railroads and the unions clung tenaciously to the demands of their respective sides, thus leaving the issue to be decided by the third arbitrator alone. When it is re-

called that some of the disputes, such as those concerning the whole eastern association, involved over fifty different roads, each with its own peculiar conditions of work, it is evident that enormous responsibility was placed upon the shoulders of the third arbitrator. Both roads and unions came to agree that this condition of affairs should not be allowed to continue.

It was also found that in many instances the maximum period of thirty days was too short for adequate hearings. The complex nature of the cases necessitated longer statements on both sides than were possible within the specified time limit. The result was that hearings were summarily cut short and on the partial evidence thus obtained, the Board based a hasty decision as best it could, protesting at the same time its inability to do full justice to the situation. It was obvious that this defect should be remedied for the sake of the arbitrators as well as for that of the contesting parties.

Another weakness was the one already referred to in connection with the mediation provision, namely, that either party to the controversy could render the act useless by declining to accept its aid. This unwillingness might be based on any of the foregoing defects of the law, since it obviously might prove unsatisfactory to entrust an important settlement to the judgment of one man who would have insufficient time to hear the peculiar conditions of the situation explained and whose decision might be rendered valueless by an ambiguous expression.

There were so many instances of refusal to arbitrate under the provisions of the Erdman act that at last in 1913 public opinion crystallized in the form of the Newlands act, intended primarily to remedy the defects of the former. The new law provided that the board of arbitration should consist of either three or six members, to be

chosen in the same manner and in the same proportions as under the Erdman act. The hearings could last more than thirty days whenever the two parties agreed to such extension of time. In case of dispute over the interpretation or application of the award, the original board could be reconvened to explain its meaning.¹

A complete list of all controversies to which the Order was a party, 1898 to 1911, settled under the Erdman and Newlands acts, will be found in Appendix D.

Not all of the disputes which have arisen in recent years between the Order and the railways have been settled under the provisions of the Erdman and Newlands acts. Very often the roads and the Order voluntarily agree to arbitration. Thus in 1910 when the conductors and trainmen were carrying on a concerted movement for higher wages in the eastern territory, President Brown of the New York Central suggested that the matter be left to a board of arbitrators consisting of Honorable E. E. Clark and P. H. Morrissey. The offer was accepted by the unions. This selection of arbitrators proved fortunate. Mr. Clark had been grand chief conductor of the Order previous to his election to the Interstate Commerce Commission, while Mr. Morrissey had but recently left the presidency of the Trainmen to assume an official position with the "American Railroad Employees and Investors Association," in which organization both employers and employees were represented. Thus was combined in these two men a thorough knowledge of the technique of railroading, together with adequate understanding of the points of view of the men, the railways

¹ For a full account of the mediation and arbitration proceedings under the Erdman and Newlands acts, 1898-1911, see *Mediation and Arbitration of Railway Labor Disputes in the United States*, Charles P. Neill, in the *Bulletin of the Bureau of Labor*, no. 98, January, 1912, pp. 1-63.

and the public. The award which they handed down reflected their exceptional training. It was immediately used as the basis of settlement by the other fifty-odd roads that comprised the eastern association.

The fact that either the railroads or the unions can render the Newlands act useless by a simple refusal to accept mediation or arbitration has given rise to much discussion relative to compelling the companies and men to submit their differences to arbitration. Persons advocating such a plan point to the fact that in a railroad strike of any magnitude the public suffers more than either the roads or the men. If a week's strike were called on all the leading railways of the country, it would but slightly reduce the annual earnings of the companies, while the unions, with their huge reserve funds could easily tide over the period. But the stoppage of mail, express, freight and passenger traffic even for a week, would paralyze the business of the entire nation. Not only would the general loss reach many millions of dollars, but so dependent are the large cities on the daily arrival of meat, milk, flour and coal trains that real privation and suffering would occur soon after transportation had ceased. Advocates of compulsory arbitration urge that under such conditions it is the duty of the public to prohibit railway strikes. They point to the fact that in foreign countries compulsory arbitration has been in successful operation for a number of years.

The Canadian industrial disputes act is frequently mentioned as a law that has virtually eliminated strikes in transportation business, and the adoption of a similar measure is urged for the United States. The act, which was adopted in 1907, grew out of the great Alberta coal strike of 1904, which for a time threatened seriously to interrupt Canadian industrial activities. The measure is restricted to employees and workmen in public service corporations

such as railways, gas and electric light companies; to occupations subsidiary to transportation and to coal and metal mining.

The principal feature of the act is a provision making it unlawful for either a strike or a lockout to be declared until after a government board has investigated the cause of the trouble and published its report. It is thus seen that the law prescribes compulsory investigation, the idea being that the public has a right to know the cause of the difficulty before permitting itself to be inconvenienced and injured by a strike or lockout. What the law really does is to hold the threatened trouble in abeyance until public opinion has had an opportunity to assert itself. The effectiveness of the act is seen by the fact that from 1907 to 1911, 109 boards made investigations, and in 105 of these cases strikes and lockouts were actually averted.

More radical advocates of compulsory measures turn to countries like New Zealand and Australia. The success of rigid compulsion in those countries, they argue, is sufficient proof of the desirability of the plan. The New Zealand law, which is typical, was passed in 1894, as an outgrowth of the great ocean transportation strike which for a time threatened the industrial life of the island. At first the act applied to a few industries only, but it has since been extended to include nearly every occupation on the island.

The law, as since amended, divides the country into industrial districts. These districts are provided with minor councils of conciliation, and over all is a single court of arbitration. In case of a dispute between employer and employee a council at once attempts to settle the matter by mediation or voluntary arbitration. Failing in this, the council then examines both sides and drafts a report and recommendations to be forwarded to the court of arbitra-

tion to which the issue must next be taken. The court reviews the evidence and the report, then hands down an award which is binding on both employer and employee for a period usually of three years. During the twenty years the law has been in force many hundreds of disputes have been settled, and the measure is now highly regarded not only by the public but as well by employer and employee.

The railroad brotherhoods in this country, however, have always been hostile to any proposal of a compulsory nature, and the Order has proved no exception to the rule. During the popular agitation for a compulsory law, following the Pullman strike of 1893, former Grand Chief Conductor Clark expressed the fear that any permanent board with compulsory powers would soon degenerate into a mere political machine.¹ During the more recent discussion the Order has again manifested its disapproval of the idea. In his 1913 report President Garretson, in referring to recent agitation over the subject, said:

So far we have been able to defeat many efforts which were made in the direction of pressing for the enactment of such measures or for the enactment of measures similar to the Industrial Disputes Act of Canada, which makes investigation and arbitration compulsory. . . .²

At its last session the Grand Division voted to "go on record as being unalterably opposed to compulsory arbitration."

The opposition of the Order to compulsory arbitration does not arise primarily from the fact that it fears adverse decisions by such a board, but rather because it believes that any compulsory measure is essentially unjust to the

¹ President's *Monthly Circular*, January 15, 1894.

² It should not be assumed, however, that President Garretson advocates extensive use of the strike rather than arbitration. It is the compulsory feature to which he objects.

conductor and dangerous to the very existence of the Order. While admitting that public interests ought always to be safeguarded, members of the Order deny that the public has a moral right to protect itself at the expense of the conductor. They point out that his relationship to the railroad is purely a private, not a public matter, and that any connection which he may have with the public because of his position is secondary to this basic consideration. To illustrate, he is engaged, governed, paid and dismissed by the railroad without comment or even interest on the part of the public as to whether or not he is being fairly treated. In a word, his relationship in regard to his employer is just the same as that of a workman in any private industry. The fact that the conductor is engaged in an employment that is closely concerned with the public welfare has already added to his burdens. It has increased his responsibility, multiplied his personal hazards, and made him subject to a whole train of restrictions relative to age limit, physical condition, *etc.*, many of which have seriously impaired his earning capacity. Now, simply because of its own selfish interest, the public wishes to stipulate how he may and may not settle his disputes. The conductor thinks that the injustice of such a situation is obvious.

But of more importance than his feeling of unfairness is the conductor's belief that compulsory arbitration would be dangerous, if not fatal, to the welfare of the Order. He states that the basic idea underlying every present-day trade union is its power to strike. So generally recognized is this principle that both courts and legislatures have protected the worker in this power. To attempt to operate a trade union without power to strike would be, in the eyes of the conductor, nothing short of sheer folly. No better example of the futility of such an experiment is needed

than the history of his own weak and vacillating organization as it appeared from 1868 to 1890. Not only would the railroads promptly refuse to grant concessions, once this power was taken from the Order, but the public would soon lose interest in arbitration proceedings, leaving the men to fight their battles weaponless against their more powerful employers.

Moreover, if the right to strike were taken away, membership in the Order would soon dwindle. Conductors would not care to invest their savings in an organization which could not protect them in time of need. Thus its career as a trade union would be cut short. At best it could survive only as a beneficiary and fraternal society. In a word, the conductor believes that in opposing compulsory arbitration he is fighting for his very economic existence; and he has no intention of sitting idly by and watching those whom he regards as sentimentalists and theorists, experiment with an organization which he has been over a half-century in perfecting.¹

4. *Strikes.* When negotiation, mediation and arbitration fail the Order uses its power to strike. By concerted refusal to work the conductors can often force the railroads to grant concessions which are denied when less forceful means are employed. In fact, in the last analysis, it has been the fear of a strike that has given effectiveness to the other three methods.

The Order for many years was opposed to strikes in any form. This opposition appears to have been based on three assumptions: (a) that the Order was not a labor organization; (b) that the strike, as a practical measure, was a

¹ It must be remembered that the foregoing arguments against compulsory arbitration are those set forth by the Order, which is only one party to the controversy. It seems hardly the place here to represent the employers and the public, but their views would obviously not coincide with the case as here stated.

failure; and, (c) that it was contrary to the principle of individual liberty.

(a) As before noted, the organization was founded primarily as a beneficiary and temperance society, and the early leaders did not wish to see the Order assume trade union features. Hence, one of the first resolutions ever passed by the Order provided that the brotherhood was "opposed to all strikes or combinations to produce strikes."¹ In 1877 the Grand Chief Conductor referred to intemperance and strikes as the two great evils of the railroad labor world, and at the grand session held in that year it was provided that any member engaging in a strike would be expelled from the Order and his name published "under ban" in the *Conductor's Monthly*.² Each division secretary was instructed to keep a list of all such members. In 1881 restrictions were made still more severe by the stipulation that the names of members who engaged in strikes should be sent to the various railway superintendents.³

(b) Strikes were also opposed on the ground that they were failures and brought great loss upon those who initiated them. In 1882 the Grand Secretary and Treasurer wrote: "I venture the assertion, without fear of successful contradiction, that there is not a striker in the United States that is not poorer on account of his connection with a strike."⁴ Two years later the editor of the *Conductor's Monthly* wrote: "We assert that there has been no strike within the past ten years that has been a permanent success."⁵ In 1887 the Grand Chief Conductor said:

¹ *Proceedings*, 1868, p. 15.

² *Ibid.*, 1877, p. 242.

³ *Ibid.*, 1885, pp. 739-40.

⁴ *Railway Conductors' Monthly*, vol. i, no. 2, February, 1884, pp. 78-9.

⁵ *Ibid.*, vol. i, no. 8, August, 1884, p. 397.

It has been demonstrated to a nicety by the other organisations in the field that strikes are not successful. . . . Look, for instance, if you please, at the late strikes of 1886, and you will find a uniform failure from all quarters. You will find hundreds if not thousands of women and children going about the country and crying for bread; objects of charity, dependent entirely upon the charity of a heartless world.¹

(c) But the strongest opposition was upon the ground that strikes were wrong in principle. For years leaders in the Order adhered tenaciously to the idea that every member had a right to work where, when and with whom he pleased, and that no majority vote could compel an individual member to cease work against his will. In 1889, when the adoption of a strike clause seemed imminent, President Wheaton announced that he had rights as an American citizen which stood above those of any organization, and that rather than submit to an abridgment of those liberties he would first resign from the Order.

The records show clearly, however, that the activity of leaders was not merely confined to opposing strikes. They even encouraged members of the Order to fill places vacated by strikers. As illustrations of some of the advice offered on this subject to inquiring members, the following are fairly typical. In 1886 the Grand Chief Conductor wrote: "If you see an opportunity of earning an honest dollar (and can do so without hazarding your life) go to work." The editor of the *Monthly*, writing also in that year, said: "The writer would not hesitate to take any striker's place, no matter who that striker might be, unless deterred by fear of bodily harm."²

Evidence is available to show that members were not

¹ *Proceedings*, 1887, pp. 10-6.

² *Railway Conductors' Monthly*, vol. iii, no. 3, March, 1886, pp. 159-66.

slow in acting upon such advice. During the switchmen's strike in 1886, for example, the conductors at Milwaukee openly offered to fill any position made vacant by the strikers. The local union at Rock Island, Illinois, even published a resolution extending its sympathy to the railways.¹

Throughout the memorable engineers' strike on the "Burlington Route" in 1888 members of the Order did not hesitate to act as strike breakers. In a circular, sent out with the approval of the Grand Chief Conductor, appears the following relative to the action of conductors during the struggle: "They ran engines, fired engines, acted as pilots, and performed police duty . . . seemed to vie with each other in showing their loyalty in this time of trouble, and tendered their services when needed."²

Whatever may have been the reason which prompted the conductors to work under such conditions, matters little. The results of the policy were unmistakable. It brought down a perfect storm of criticism from the other railway brotherhoods. The Grand Officers were abused both privately and in public press, while the very name of the Order became a word of opprobrium among railroad employees.

On the conductors' offer of aid in Milwaukee, the Switchmen's Journal sarcastically commented: "Some can be used in helping water railroad stock, others as section hands. Some of them will be 'handy to have about the house' when a state legislature is about to be purchased, and others can be used as 'wipers' at round houses, freight handlers, switch tenders, etc."³

The resolution of sympathy issued by the division at

¹ *Railway Conductors' Monthly*, vol. iii, no. 8, August, 1886, p. 490.

² Circular issued by conductors employed on the "Burlington Route," Burlington, Iowa, March 10, 1888.

³ *Railway Conductors' Monthly*, vol. iii, no. 7, July, 1886, pp. 421-2.

Rock Island was met by a counter proclamation by the switchmen in which they expressed "contempt and detestation of the . . . conductor who drafted the obnoxious resolutions, for groveling at the feet of the railroad officials."

When the conductors began to act as strike breakers on the "Burlington Route," the engineers in a resolution of protest said: "The difference between a scab and a [O. R. C.] conductor who pilots him over the road is so small that a microscope is not strong enough to find it."

Not all members of the Order, however, favored the policy pursued by the leaders. From the very beginning there seems to have been a small minority who wished to see the organization assume trade-regulatory features. In the Grand Sessions held in 1883 and 1884 resolutions were introduced recommending that a "strike clause" be adopted. By the very next year this sentiment had become so strong that some of the conservative members urged a law stipulating that any person introducing a resolution favoring strikes should immediately be expelled. Following the strikes, however, of 1885 and 1886, sentiment in favor of a strike clause grew by leaps and bounds. The next year the Grand Chief Conductor sorrowfully noted that "the number of those in favor of making a change in the principles of the Order has been steadily increasing."

The situation became acute, when, in 1885 dissatisfied conductors of the west and southwest formed the *Brotherhood of Railway Conductors*, an organization founded primarily on a strike basis. Thenceforth the Order had to fight for its existence. For five years it withstood the most venomous attacks of the other railway brotherhoods, and internal discontent that was nothing short of civil war. The climax came in 1890, when after a tumultuous session, the Order adopted a "protective policy" and took its place among the trade organizations of the day.¹

¹ *Proceedings*, 1897, pp. 8-19.

Two changes remained to be made, however, before the protective policy became really effective. Definite machinery had to be installed for inaugurating, conducting and "calling off" strikes, and some plan had to be devised for assisting members "out on strike," so that the railroads could not starve them into submission. Provision for both these contingencies was made in 1891.

In case of a strike the President or his legal representative (usually a vice-president) is the recognized leader. Working directly under him is the General Committee of Adjustment of the road involved. No strike can be called until the proposition has first been submitted to all members on the road affected, and passed by a two-thirds vote. Any member who neglects or refuses to obey the strike order may, upon conviction, be expelled. The strike may be terminated whenever the President and Committee of Adjustment deem advisable.

To protect the men on strike the Order created a "strike" or protective fund. This is a sum of money kept constantly on hand out of which striking members may be paid. At first the maximum limit of the fund was set at \$100,000. In 1907 the amount was doubled, and in 1911 it was increased \$500,000. The money is raised by direct assessment on each member. Benefits are paid from the beginning of a strike but not for a longer period than three months unless payments for a longer period are approved by the Board of Directors. In no case will payments exceed a period of six months. Members on strike are paid at the rate of \$50.00 per month.

In actual practice the power to strike has been used sparingly. This seems to have been the result of two causes: first, the leaders have shown no inclination to resort to extreme measures until convinced that their de-

mand was just,¹ and, second, the mere fact that the Order has had power to call a strike has proved sufficient in many cases to insure a careful consideration of their requests. Although members have been "polled" at various times, and all preparations made for declaring a strike on a moment's notice on all the railroads in the United States, Canada and Mexico, the official call has been issued but twelve times in the twenty-three years from 1890 to 1913 in which the brotherhood has approved of strikes.

Of these struggles the Order has regarded two as unsuccessful; three as only partly successful; and seven as completely won. The causes range all the way from the dismissal of a member "without cause" to a refusal to grant higher wages. The total cost to the brotherhood of these strikes in round figures has been \$230,000.

The duration of the strikes has varied all the way from twenty-four hours to several weeks. It has been impossible to compute the total number of days lost, or the average time of each struggle, for the reason that in some cases the struggle has not been officially terminated until long after it has practically ceased. For instance, the

¹ The attitude of present officials of the Order toward the use of the strike is well set forth in a speech made by President Garetson in Grand Division, 1913. In opposing a measure which he believed might lead to the increased use of the strike he said in part: "Never make it easier to strike. It is the outgrowth of my experience. Strikes are the weapon we have yet to wield, but we have never struck yet that we did not leave the dead on the field, and we never will. Industrial war is just like material war. No matter how brilliant the victory, there is always the list of dead, wounded and missing published after it. And in the years I have dealt with these propositions, I have always believed the right time to settle a strike was before it was put on. And I have been always ready to sacrifice everything except honor to bring about such a settlement. And I say to you, don't put in the hands of your present officers nor of any men who may succeed them, greater power to make trouble than they have at the present time." *Proceedings*, 1913, p. 860.

strike on the National lines of Mexico, declared in 1912, is officially still in force, although, as a matter of fact, the men involved left the country soon after the contest began.

Each of the twelve struggles was confined to a single system, and for the most part they have occurred on the smaller railroads of the country. The only one which threatened to effect any considerable extent of territory was the Grand Trunk strike of 1910, which included not only the trunk line, but subsidiary properties in both Canada and the United States. In all but one of the contests the conductors declared the strike in conjunction with one or more of the other railway brotherhoods.

Appendix E contains a list of the strikes in which the Order participated, together with the dates, stated causes, names of roads, organizations involved, and the result from the standpoint of the men. It will be seen that five took place prior to 1907, the year in which the Erdman act came into general use. While the Order has also struck seven times since then, eleven controversies, in which it was fully prepared to strike, have been settled under the provisions of the federal law. Consequently, it seems reasonable to assume that government intervention has averted at least fifty percent of the probable strikes involving the Order.

CHAPTER IX

LEGISLATION

As already suggested, in addition to the method of collective bargaining the Order for many years has worked to secure trade regulations by means of legislation, both state and national.¹ Such legislation has been sought upon two grounds: First, that the conductor, in a very true sense, is a guardian of public welfare, and just as higher wages have been demanded of the railroads because of this guardianship, so also the Order has asked for public support in securing shorter hours of service, protection from accidents, and general regulations favorable to railway labor. Second, the union has repeatedly urged regulatory measures wholly upon the ground of public expediency.

The idea of obtaining government assistance appears to have first occurred to the Order in 1879. At that time its officers were much interested in a scheme to have all engineers and conductors licensed by the federal govern-

¹ The advantages of legislation as a trade-regulatory measure can be seen at a glance. When an act is thus passed it is immediately invested with all the power of statutory law. It is nationwide in extent (if a congressional act), thus applying to all employers and employees in the trade or occupation. Such a measure generally has the support of public opinion, and the work of enforcement falls, not upon the union or the employers, but upon the government. On the other hand, the method of legal enactment can scarcely ever be used successfully unless the following conditions exist: (1) The union must be strong and well advanced in conducting trade negotiation; (2) there must be a pronounced public opinion on the measure; or (3) the act itself must be of such a nature as to appeal to public sympathy or imagination.

ment, as are pilots on vessels, before being permitted to engage in their work. Some of the Grand Officers believed that public support for such a law could be secured. It would only be necessary, they said, to point out that the measure would insure greater public safety on trains. The manner in which they arrived at their conclusion was as follows: A license that provided for a given degree of competency before employment was secured, and relative continuity of employment afterwards, would necessarily attract a better grade of men into the train service, which in turn would result in more efficient operation of trains. As a matter of fact, the framers of the measure hoped that by means of license boards (to be composed of experienced engineers and conductors) so to regulate the available supply of men legally qualified to fill positions that the railroads would virtually find it impossible to dismiss either engineers or conductors upon a "wholesale basis," thus preventing a lockout by employers.

Members of the Order were urged to influence their congressmen to support a license law.¹ This unorganized work proved inadequate, however, and in 1887 a legislative committee was appointed which drafted a bill embodying the fundamental features desired,² and succeeded in having it introduced into Congress, and the committee itself went to Washington and worked in support of the measure. Congress, however, showed no particular interest in the matter, and after several futile attempts to secure passage of the act, the committee gave up discouraged.

Practically nothing further in the field of legislation was attempted until the early nineties, when the idea of protecting the traveling public by means of legal enactments began to attract general attention. Seizing upon this

¹ *Proceedings*, 1885, p. 786.

² *President's Monthly Circular*, July 1, 1887.

opportunity, the Order initiated a movement both state and national for "safety laws." In 1896 provision was made for the creation of state legislative committees, whose duty it should be to attend sessions of the state legislatures, introducing measures favorable to railway labor and opposing those inimical to its interests.¹

At the same time the Grand Officers began to interest themselves in national legislation, frequently appearing before the Interstate Commerce Commission² and congressional committees to urge the adoption of laws compelling the installation of safety devices by the railroads. In 1897³ the Order joined the other railway brotherhoods in maintaining a paid representative in Washington during the congressional sessions, who was virtually a paid lobbyist spending his entire time working on legislative matters. He not only seeks legislation favorable to the brotherhoods but gives much attention to laws affecting labor as a whole.

In attempting to arrive at a conclusion as to just what the Order has actually accomplished in the field of legislation, three difficulties are encountered. First, the records

¹ For many years the *Proceedings* have been full of bitter complaints against the railroads because it was alleged they often virtually compelled conductors to appear before legislative committees in support of measures which were designed solely to aid the railroads. Often they were compelled to testify against the very bills that were being urged by the Order itself. It is now an offense punishable by dismissal for a member to oppose a measure that has received official sanction by the union.

² It is the belief of President Garretson that much has been accomplished by presenting evidence and arguments at hearings of the Interstate Commerce Commission. Appearing before the Commission was a favorite plan of former Grand Chief Conductor Clark, and it is not without significance as to his influence that he subsequently resigned from the office of grand chief conductor to accept a position on the Commission.

³ *Proceedings*, 1897, pp. 9-49.

contain very little data relative to the work of the committees. Second, in practically all important matters the Order has coöperated with one or more of the other railway brotherhoods, and, third, even when the work of the brotherhoods can be closely traced, it is next to impossible to gauge accurately how much influence the unions really exerted. It has seemed wiser, therefore, merely to enumerate some of the more important measures in which the influence of the brotherhoods has been strongly felt. Among the national laws are the Safety Appliance acts, first passed in 1893¹ and since modified from time to time, stipulating that all cars be equipped with air brakes and patent couplers; the Erdman act of 1898,² and its successor, the Newlands act of 1913, providing for mediation and voluntary arbitration in railway disputes; the Hours of Service act of 1907,³ which limits the time for continuous employment of railway employees in train service; and the Employers' Liability law of 1908, which permits a railway employee to recover damages from the company when injured, provided it can be proved that the injury was caused either by negligence of the company or one of its employees.

Other questions to which the unions have given much attention include laws providing for workmen's compensation,⁴ industrial insurance and the adoption of standard signals in railway service.

¹ *Proceedings*, 1893, pp. 9-67.

² Bulletin Bureau of Labor, no. 98, January, 1912, pp. 58-61.

³ *Proceedings*, 1907, pp. 48-76.

⁴ The question of a Federal compensation bill was discussed at great length in the session of 1913. The Grand Division appeared to be about evenly divided on the question. Many favored the passage of such a measure, while others preferred the employers' liability law. President Garretson strongly favored a compensatory measure, asserting that in the majority of cases injured employees lost their cases

On the other hand, the brotherhoods have constantly opposed all measures looking toward compulsory arbitration, more liberal immigration laws, the application of the Sherman anti-trust law to labor organizations, and many other acts, the effects of which would in any way be unfriendly to the cause of labor.

At the Grand Session in 1913 two measures were passed to strengthen the work of legislation. The organization of state legislative committees was made compulsory in each state. Heretofore, the matter had been purely optional. Second, a national legislative committee was created. The latter committee is to work under the direction of the president of the Order. It is believed by members that these two acts will give greater impetus to the work of legislation.

in the courts, and even when recovery was made the bulk of the money went to the lawyers who conducted the case. The Order finally voted in favor of the passage of a national law which would leave it optional with the employee as to whether he should accept the benefit of compensatory provisions or recover by suit as now provided under the employers' liability act.

PART III
BENEFICIARY FEATURES

CHAPTER X

ESTABLISHMENT OF MUTUAL LIFE INSURANCE DEPARTMENT

THERE are good reasons for believing that the Order was founded as a beneficiary organization. To form an association that will "protect ourselves and our families in case of sickness, accident, or death" was the object set forth in the call for a national convention in 1868.¹ The early leaders never lost sight of this purpose, and the fact that it received constant emphasis for over twenty years to the exclusion of trade policies leaves little doubt as to its paramount importance.

The plan of benefits adopted by the conductors embodied two distinct features: care for the sick and temporarily injured, furnished by the local lodges; and support by the national organization of persons left dependent through the death or permanent disability of members.

It was believed that the requirements for national benefits could best be met by establishing a mutual life-insurance association. Accordingly, the constitutional convention, at Columbus, in November, 1868, made provision for such a company. It will be recalled that at this time there was but one labor organization in the United States which had entered upon an undertaking of this nature. The year previous (1867) the Brotherhood of the Footboard had introduced a crude² plan of life insurance. Thus with

¹ Preface to *Proceedings*, vol. i.

² The Amalgamated Society of Carpenters and Joiners began paying funeral benefits in 1860, but such benefits were not life insurance proper.

virtually no model to follow and with very little understanding of the principles underlying insurance, it is not strange that the proposals first adopted by the conductors were ill-defined in the extreme. The whole scheme was confined to one short article of four brief sections. Membership in the association was to be separate from membership in the union. The chief provision was that upon the death or permanent disability of any member an assessment of \$1.00 should be levied upon all members, the proceeds thus received to be paid to the heirs of the deceased or to the disabled conductor.

No members apparently ever enrolled and the next year the "Cruzen amendments" were proposed.¹ These are of interest chiefly because they sought to make insurance compulsory for every member of the union and because they contained a tentative plan for the establishment of a reserve fund. The amendments, however, were not adopted.

Undaunted by these two failures, the Grand Division in 1870 appointed a committee to "draft a plan of insurance." With characteristic vigor this committee took up its task. Within less than twenty-four hours a plan had been formulated and reported back to the Grand Division, and the Mutual Insurance Association of the Conductors' Union was established.²

The organization thus summarily created contained the general features of the two preceding schemes. Any member of the brotherhood could take out a policy by simply making application and paying \$1.25, of which \$1.00 was held in trust to meet the first assessment and \$0.25 went towards defraying the expenses of the association. Although

¹ *Proceedings*, 1869, p. 36.

² *Ibid.*, 1870, p. 48.

organized under a separate title, the only officers were the secretary of the national union, who was the official head of the insurance company,¹ and the secretaries of the subordinate divisions, who acted as its local secretaries.

Actuarial statistics, reserve funds, regular premiums, and similar provisions common to the ordinary life insurance company were ignored. The plan was thus one of simple assessment, ill fitted to weather the storm in years of heavy mortality.

The association began business in November, 1870.² Before long three difficulties were encountered: (1) the conductors refused to join the association; (2) the benefits paid were insignificant; and (3) the forfeiting of policies was proportionately very large. During the first years only 48 certificates were issued. Later, although the estimated membership of the union was 1,000, enrollment in the insurance association was only 68. The high water mark attained during the first ten years was in 1874 when 156 policies were outstanding. Three years later membership had fallen to 51. At the annual session in 1878 there was serious discussion relative to abandoning the project altogether. In 1881 the membership was 155 out of a possible 1,400.

As a consequence of the failure of conductors to join, the amounts paid in death benefits were mere pittance. One policy of \$48 was paid in 1870, another of equal amount in 1873, and the total sum paid from 1870 to 1880 was \$586, an average benefit of \$73. As freewill offer-

¹ The organization which had charge of the insurance was officially known as the Order of Railway Conductors' Mutual Life Insurance of North America, until 1887 when it was changed to the Mutual Benefit Department of the Order of Railway Conductors of North America.

² The year following it was provided that the maximum policy to be paid by the association should be \$2,000.

ings in times of distress such amounts might be regarded with favor; but as benefits paid by an insurance company they could scarcely excite anything but derision.

Not less disappointing was the large number of forfeited policies. Membership would rise steadily enough until an assessment was due, when there would be a sudden shrinkage, sometimes reducing the membership from 100 per cent to 30 per cent. This constant fluctuation not only undermined what little business standing the association had, but it was manifestly unjust to the holder of a matured policy. For example, a Mrs. D. A. Ritchie in 1881 held a matured policy of her husband; the benefit should have been \$155, but 42 members defaulted.

At first the union did not appear to be greatly disturbed by the apparent backwardness of the insurance feature. All seemed to believe that conditions would soon right themselves—an optimism revealed in the public utterances of the grand officers. In 1873, the Grand Chief Conductor assured the members “if you will but return home with a firm resolve, before the coming of the 17th annual session we will see more than 2,000 members enrolled.”¹ Gradually, however, this spirit was superseded by one of anxiety. The Grand Division frequently directed the local secretaries to use every effort to increase membership, and impassioned pleas on behalf of the insurance plan became commonplace.

Slowly a feeling gained headway that the methods of the association were faulty. In 1880 the Grand Chief Conductor wrote: “The laws are defective in many instances and I most urgently request your honorable body to give them a searching and thorough revision.” A year later the executive reported “our insurance is in a very unsatisfactory condition and a complete revision can no

¹ *Proceedings*, 1873, pp. 572-73.

longer be postponed, if we keep it from going to pieces altogether."

Forced into action by the seriousness of the situation, the Grand Division appointed a revision committee. Some idea of the thoroughness with which these men did their work may be gained from the fact that in place of the half-dozen meagre provisions with a few patched amendments which they had been given to revise, the committee reported to the Grand Division a set of well-codified insurance laws comprising twenty-six articles. Provisions formerly vague were clarified; laws relating to assessments, forfeitures, remittances, application blanks, *etc.*, which had been barely mentioned in the original draft, were amplified.

The plan of managing the association was also changed. General supervisory power was placed in the hands of an executive committee, which was to approve all claims, and in case of dispute its decision was to supersede that of the Grand Recording Secretary. It inspected the books, made reports, and carried on the general advisory work of the association in much the same way that a board of directors supervises the business of a corporation.

An attempt was also made to remedy the forfeiture of policies. The revised laws provided that each application for membership should be accompanied by a fee of \$2.50, of which fifty cents went toward the expense of the association, and two dollars was held in trust to pay death claims. It was hoped that by thus providing for two assessments in advance the temptation to allow policies to lapse would be overcome.

Although the revised statutes went into effect January 1, 1882, the association showed no increased signs of activity until after the meeting of the Grand Division in the following fall. Then a remarkable development began. From October, 1882, to October, 1883, membership rose from

147 to 504.¹ A year later the enrollment reached 1,200 and the president announced that the union had one of the largest conductors' insurance association in the United States. In 1885, 2,700 certificates were in force and the executive was able to report "the association now stands preëminently the largest, and we believe the best, of its class." In 1888, 4,685 members were enrolled.

The amount paid in benefits showed a response to the changed conditions. From two insignificant payments of \$35 each in 1882 the benefits rose to six of \$283 each in 1883; to six of approximately \$1,000 each in 1884; and the next year claims were paid of \$2,000 each—the maximum limit prescribed by the laws of the Benefit Department. It was evident that the insurance association had at last entered upon a period of real usefulness.

In accounting for this sudden growth two explanations may be advanced. Some view the expansion entirely as a result of the revision of 1881. The conductors, themselves, are in the habit of saying that the insurance department did not become "really operative" until 1881. The United States Commissioner of Labor, in his annual report for 1908, goes so far as actually to set the date of organization as 1882.

While the writer wishes to give ample credit to the thorough revision made, he can see no reason for ignoring the twelve years of experimentation which preceded. The insurance association had a small beginning, just as other departments of the union which are now strong were once weak and struggling. The writer believes the true ex-

¹ The greater part of the statistical information given in this chapter was taken directly from the records of the Grand Secretary and Treasurer at National Headquarters. As citations to those records would prove unsatisfactory, comparatively few references have been inserted in the footnotes of this chapter.

planation is to be found in the changing circumstances which surrounded the conductors from 1870 to 1880. A few of these may be briefly noted.

In the first place the period from 1870 to 1880 was one of excessive competition between mutual insurance companies. Just as in the days prior to 1835 unsound banks multiplied rapidly throughout the country, so during the period following the Civil War private mutual insurance associations, unrestrained by state or national laws, sprang up with mushroom rapidity. The brilliant futures pictured by many of them appealed with peculiar force to the conductors, uninitiated in the intricacies of "high finance," so that the field of railroad insurance was already pre-empted when the Order came on the scene.

Furthermore, there are good reasons for believing that the Order failed to appreciate the importance of starting with a large membership—so essential to provide an attractive benefit, based on an assessment of only one dollar per person. Thus we see the association beginning business with but 48 members, which meant that in case of death the face of a policy would amount only to \$48, although the premiums paid were as large as those in similar companies paying policies of \$1000 or more.

Contrast with such a beginning the opening years of the United States Railroad Conductors' Life Insurance Company, a privately managed association. It began business in 1868. Three years later it had a membership of 4,000 and was paying benefits of \$2,500 each.¹ The explanation of its success lies in the fact that it did not commence to pay benefits until it had attained a membership of approximately 1,000. Thus from the very beginning its policies

¹ Annual Report of President of U. S. R. R. Conductors' Life Insurance Co. published in *Locomotive Engineer's Journal*, October, 1870.

were so attractive as to work automatically in securing a still higher membership.

Another reason for the failure of this early attempt on the part of the Order was the condition of chaos which was allowed to exist within its very borders. Scarcely had the plan of national insurance been proposed before some of the subordinate divisions conceived the idea of starting insurance associations of their own. The idea proved popular and soon every subordinate division of importance was conducting its own mutual life-insurance association. As a result the source of membership for the national organization was effectually shut off. This condition existed until 1877 when the Grand Division forbade subordinate unions to operate local associations.

Although the Conductors had to learn by sad experience the business principles upon which mutual insurance is based, yet no one can read the record of their struggle from 1874 to 1882 without being impressed with the fact that they possessed an advantage which no amount of finely adjusted business organization could give to a private concern. The union was more than a mere labor organization. It was more than an insurance association. It was a fraternity. And gradually that vague, indefinite thing called fraternalism began to assert itself. More and more individual members began to look beyond the confines of their own particular needs and observe "the good of the whole order." The desires of subordinate lodges gave way to the wishes of the Grand Division. When this spirit had permeated the union the battle for mutual insurance was won.

The prosperity which followed the revision of 1881 put an end to all fear among the Conductors as to their ability to conduct a system of life insurance. Henceforth their efforts were directed toward adjusting the plan to their peculiar needs.

As money gradually accumulated in the treasury, two changes were decided upon. Assessments were deferred until the funds already paid in should be exhausted; and the amount of the death benefit was arbitrarily increased from \$2,000 to \$2,500.

These changes were scarcely made before the unexpected happened: the boom in membership suddenly collapsed. From 1887 to 1890 the number actually decreased. The total amount paid out in death benefits, however, continued to rise—from \$117,000 in 1887 to \$157,000 in 1890. As a result premiums were raised from \$12.00 per \$1,000 of insurance in 1887 to \$14.40 in 1888 and to \$15.40 in 1890.

The whole situation was one of extreme gravity. The Conductors were facing the same condition that was proving fatal to many other fraternal insurance societies where membership was declining while premiums, due to a growing death rate, were continually growing larger. If the Benefit Department was to survive, it was evident that some plan must be adopted whereby the decrease in membership could be stopped and the payment of premiums insured.

Fortunately the Order had at its command a most effective weapon for accomplishing both results. It simply provided that thereafter every person who joined the Order must take out a policy in the Mutual Benefit Department unless ineligible by reason of age or other specified disability. This compulsory feature at once checked the falling membership and made the premiums collectible as regular dues of the Order.

Two other important changes were also made. First, the \$2,500 policy was discontinued. In its place three kinds of policies, known as Series A, B and C, were adopted.²

² In 1913 series "A A" paying a benefit of \$1,500 was adopted.

NUMBER OF CLAIMS PAID BY MUTUAL BENEFIT DEPARTMENT, 1868-1913

Year	Number of Claims	Year	Number of Claims
1868-1870 .....	..	1892.....	107
1871	1	1893.....	137
1872	1	1894.....	179
1873 .....	..	1895.....	158
1874 .....	..	1896.....	160
1875	2	1897.....	191
1876	4	1898.....	235
1877	1	1899.....	238
1878	1	1900.....	257
1879	3	1901.....	300
1880	2	1902.....	304
1881	2	1903.....	351
1882	2	1904.....	431
1883	6	1905.....	423
1884	6	1906.....	427
1885	22	1907.....	459
1886	19	1908.....	472
1887	59	1909.....	477
1888	64	1910.....	626
1889	61	1911.....	544
1890	61	1912.....	631
1891	66	1913.....	587

Series A paid a benefit of \$1,000, Series B of \$2,000, and Series C of \$3,000. Eligibility to obtain a given certificate was dependent upon the age of the applicant. Thus, members not over thirty-five years old could take out any of the three. Members over thirty-five but not over forty-two were eligible to Series A and B only. Members over forty-two and not over fifty were entitled to Series A only. No member over fifty was allowed insurance. Second, the manner of paying premiums was completely altered. Instead of an assessment whenever a death occurred, the amount of premium was determined in advance for a year, and was made payable in the form of monthly installments.

Response to these fundamental changes was immediately noticeable. Compulsory membership transformed a waning enrollment to one of steady increase. The issuance of

three classes of certificates satisfied the demand for small, medium, and comparatively large policies. The levying of

COMPARATIVE GROWTH OF THE ORDER AND THE MUTUAL BENEFIT DEPARTMENT

Year.	Membership of Order.	Membership of Benefit Department.
1868-1870 .....	.....	.....
1871	unknown	48 (Nov. 1)
1872	1,000 (est.)	68
1873 .....	.....	.....
1874	751	156
1875	774	
1876	1,108	114
1877	1,058	51 (Oct. 1)
1878	849	99
1879	945	104 (Sept. 1)
1880	1,030	155 (Oct. 1)
1881	1,420	
1882	2,014	147 (Oct. 31)
1883	3,298	504 (Oct. 1)
1884	6,109	1,185 (Oct. 1)
1885	7,044	2,752 (Jan. 1)
1886	10,330	4,586
1887	11,047	4,768
1888	13,224	4,685
1889	13,720	4,880
1890	14,453	3,033 (Dec. 31)
1891	17,906	5,844
1892	20,224	9,042
1893	20,350	12,206
1894	19,827	12,794
1895	19,737	13,582
1896	19,810	14,619
1897	20,697	15,807
1898	21,950	17,403
1899	23,253	19,057
1900	24,563	20,592
1901	25,854	22,096
1902	27,899	24,488
1903	31,333	27,075
1904	33,353	30,172
1905	35,683	31,988
1906	38,430	34,142
1907	41,436	37,075
1908	42,379	38,323
1909	43,764	39,189
1910	45,992	41,692
1911	47,339	43,333
1912	47,893	44,052

monthly assessments in advance enabled the conductor to pay in amounts best suited to his convenience, while the modifications all combined to give an air of security and permanency to the transactions of the association.

Despite the years of panic, membership rose steadily from 5,800 in 1891 to 20,000 in 1900, over 30,000 in 1905 and over 40,000 in 1910. In December 1912, the membership was 44,052 out of a possible 47,893.¹

The amount paid in benefits has shown a corresponding increase. From \$153,000 in 1891 it rose to \$825,000 in 1905, and to \$1,139,000 in 1911. The amount of the premium was changed several times during the nineties. In 1899 it was fixed at \$16 per \$1,000 of insurance, and it has not been altered since that date.

To those who looked forward to the day when the Department should be quoted as a model for other brotherhoods, the revision was lacking in one respect,—it had made no definite provision for a reserve fund. The idea of setting aside a sum from which deficits could be paid, in the minds of some from the very beginning, was incorporated in the proposed "Cruzen Amendments" of 1870; and set forth still more in detail in the proposed "Martin Amendments" of 1882. From that time there was constant discussion relative to such a fund, but not until 1899 did sentiment crystallize sufficiently to allow the proposition to be carried.² In that year a fund of \$500,000 was created, increased to \$1,000,000 in 1905, and to \$1,500,000 in 1910. This money is raised by direct assessment, at the rate of \$1.00 per each \$1,000 of insurance carried. When a member has made twenty such payments he is relieved from further assessments.

¹ The members of the union who did not hold policies were made up of those who belonged to the union prior to 1891 and those who, for various reasons, have not been allowed to take out policies.

² *Proceedings*, 1899, pp. 486-7, 525.

AMOUNT PAID IN CLAIMS BY MUTUAL BENEFIT DEPARTMENT, 1868-1913

Year	Amount	Year	Amount
1868-1870 .....	.....	1892.....	\$241,513.40
1871*	\$48.00	1893.....	315,629.60
1872	48.00	1894.....	390,491.00
1873 .....	.....	1895.....	347,000.00
1874 .....	.....	1896.....	375,000.00
1875	163.00	1897.....	415,000.00
1876	344.00	1898.....	482,200.00
1877	60.00	1899.....	505,300.00
1878	63.00	1900.....	524,900.00
1879 .....	.....	1901.....	603,000.00
1880	270.00	1902.....	607,000.00
1881	320.00	1903.....	697,500.00
1882	70.00	1904.....	831,500.00
1883	1,700.00	1905.....	821,000.00
1884	5,039.00	1906.....	828,000.00
1885	25,130.00	1907.....	880,000.00
1886	89,068.00	1908.....	942,000.00
1887	117,005.00	1909.....	999,000.00
1888	155,000.00	1910.....	1,204,000.00
1889	157,500.00	1911.....	1,170,000.00
1890	157,505.00	1912.....	1,234,000.00
1891	153,000.00	1913.....	1,115,000.00

* 1871-1879, benefits allowed, dates of payments uncertain.

CHAPTER XI

PRESENT PLAN OF MUTUAL LIFE INSURANCE

THE creation of a reserve fund was the last important change made in the insurance scheme. The situation today (1913) may be said to be substantially as follows. During the fifty-five years of its history the mutual Benefit Department has paid losses on 8007 persons aggregating over \$16,260,000. Each member is paying \$16 annually for every \$1,000 of insurance carried. The "death rate" (which includes permanent disability)¹ for a number of years has been somewhat less than \$16.00. Thus the total assessments each year have been slightly more than sufficient to cover all claims. In 1908, for example, the assessment amounted to \$1,066,725, while the claims totaled but \$942,000, giving an excess for that year of \$124,725. The total surplus in the mortuary fund on December 31, 1912, was \$635,359 with claims of 97, unpaid or pending. It has been already noted that since 1900 members have paid \$1.00 per \$1,000 of insurance into a reserve fund, amounting on December 31, 1913, to \$1,143,481.30.

From the foregoing description it is seen that the insurance department of the Order is substantially different both from that of the ordinary fraternal society, and from the so-called "old line" or legal reserve insurance. It is

¹ According to the Mutual Benefit Department Law total disability includes: (1) loss of hand by amputation at or above wrist joint; (2) loss of foot by amputation at or above ankle joint; (3) total loss of eyesight; (4) total loss of hearing.

unlike the former in that the Conductors now have a positive means of keeping up the membership and compelling the payment of premiums. As long as the Order continues to prosper as a trade organization and retains the compulsory provision, there is no danger of decreasing membership in the Insurance Department.

COST PER \$1,000 OF INSURANCE IN MUTUAL BENEFIT DEPARTMENT,
1887-1913

<i>Year</i>	<i>Premium</i>
1887.....	\$12.00
1888.....	14.40
1889.....	15.20
1890.....	14.80
1891.....	15.40
1892.....	14.00
1893.....	15.00
1894.....	16.00
1895.....	14.00
1896.....	14.00
1897.....	14.00
1898.....	14.00
1899-1913.....	16.00

On the other hand, the fundamental concept of the plan adopted by the department differs materially from old line or legal reserve life insurance. The former is essentially a year to year affair wherein premiums are collected during each year in an amount sufficient only to cover the claims for that period. At the end of each year the slate is wiped clean, so to speak, and the premiums for the following year are computed to meet the changed conditions, if any, in membership and age. The member's premium depends not at all upon his age on joining the Order, or upon his attained age but only upon the average, roughly speaking, of the membership during the particular year. Under this plan the tendency is towards increasing the premiums from

year to year for all the members, especially if new members enter the department at higher ages as time goes on.¹ There is no provision for the future, except through the nominal payment of one dollar per thousand of insurance, as noted above, and this, of course, is of comparatively small importance. In legal reserve insurance, the member's premium would depend upon his age at the time he entered the department, and he would pay the same premium throughout his life regardless of the membership of the department or of the ages of the other members.

Under the department method, a young member pays a higher premium than his age naturally calls for and later, although he may pay the same as at the beginning, he pays less than would be required at his advanced age. In legal reserve insurance, the same condition exists, except that under this plan his rate would never increase. The essential difference between the two is this: that under the department method, the excess which the young member pays goes each year towards meeting the death claims of the old members, who during that year paid less than the rates which would be normal at their ages; under legal reserve insurance, the excess which the younger member pays is held in reserve and accumulated at interest until he and the surviving members of his class reach the higher ages when the deficits are met from this reserve fund and not from the contributions of the young members in the Order at that time. It will be noted, of course, that under this method, there is always a fund attaching to each member's policy which he would have a right to claim provided he ceased to be a member for any cause other than death.

There are four grounds on which the plan of insurance

¹ As suggested elsewhere, however, under normal conditions there is an average membership age which will tend to remain fairly constant.

conducted by the Order is often adversely criticised:¹ (1) It is said to be defective in that insurance is conducted in connection with trade-union and fraternal activities. (2) It does not permit the conductor to provide for the future. (3) It throws a heavy burden on the younger members. (4) It is subject to constant increases in cost. These objections will be considered somewhat in detail.

(1) Those who urge that this form of insurance should not be conducted in conjunction with trade-union and fraternal activities insist that the fundamental essential of life insurance is "certainty". They maintain that after a man has paid premiums for a number of years no condition affecting the certainty of his receiving the full amount of his policy should be allowed to exist. There are two agencies they claim which may detract from the stability of this kind of insurance, one of which is related to the trade union aspect of the Order, and the other to its fraternal features. Thus a prolonged strike might deplete the treasury of the organization, and present a great temptation to the Grand Division to appropriate for strike purposes the accumulated funds in the Benefit Department. The long list of failures among British trade societies, in attempting to operate insurance in connection with trade union activities, gives added emphasis to this criticism.

On the other hand, the very spirit of fraternalism exist-

¹ The above criticism is confusing to the extent that it does not entirely separate for comparison: (1) the Order's plan of insurance as now conducted; (2) the Order's insurance as it might be conducted under a legal reserve plan, and (3) commercial insurance, which is, of course, legal reserve conducted by private companies for commercial gain. With such a distinction, plan number one could be compared with plan number two and the advantages and disadvantages of each noted. Then plan number two could be compared with plan number three and points of strength and weakness emphasized. Such a comparison, however, would involve minutiae of detail that have seemed to the writer quite out of place in the present monograph.

ing in the Order often prevents the Insurance Department from being conducted on a business-like basis. Take, for example, so fundamental a matter as physical examinations as a requisite for membership in the Insurance Department. The regulations of 1870 made no mention of such a matter, the Order assuming that anyone who was able to work was a good risk. In 1880, however, The Grand Chief Conductor succeeded in having a requirement for medical examination inserted in all insurance applications. Within two years we find that same official urging the repeal of the law¹ upon the ground that "we, a band of brothers, pledged to give aid when needed regardless of insurance, ought not to be as rigid in our qualifications for membership as companies that insure to make money." Opposition to medical examination continued strong throughout the eighties upon the ground that it was anti-fraternal in spirit.

Acting in accordance with the authority granted them, the insurance committee of 1891 adopted a reasonably stringent medical examination. The reaction was pronounced and vigorous. The committee was besieged with letters protesting against the action, the following excerpt being a fair sample:²

Now, Billy, this form of insurance application is a big bulldozing fraud, and not in the spirit of what the Grand Division desired. While the law gives the Insurance Committee full scope, they can make out any kind of a form they desire. Now what we like is when three brothers who have been acquainted with a man ten years and know that in that time he has not been laid up sick for ten days, when la grippe and all such epidemics are around, he comes pretty near being a fit

¹ *Proceedings*, 1882, p. 520.

² The conductors could *now* do away with medical examinations, and, provided they continued to take in only young men in active service, their rates would not be very materially increased.

subject for insurance. I made out an application and refused to answer these questions and W. P. D. returned it to me. Now if I hadn't carried one of the old certificates, No. 724, since May 4, 1884, and never been delinquent a minute, I should have said "to hell with the O. R. C. insurance." I actually believe the Insurance Department is rotten to the core. It costs about \$8,000 a year to run it while Mr. Huntington runs one just as good for about \$3,000. Too damned much goes for salaries and legal expenses. Billy, I shall prepare a roast for Toledo as it is outrageous how the Ins. Dept. is run. I certainly shall hold all concerned responsible for such a state of affairs. While you may not be responsible for the law and precedents, yet your not recognizing reform places you in a responsible position. Am in Ai health and trust you are the same.

This same tendency to let the spirit of fraternalism stand in the way of good business methods is seen in the allowance of claims by the Grand Division.¹ At each convention many petitions are presented which technically do not come within the insurance regulations. Perhaps a deceased brother allowed his policy to lapse a short time previous to death, or perhaps a conductor is afflicted with a particular kind of injury that does not come within the specific provisions of the disability clause. The ordinary life insurance company would give such petitions scanty attention; but the Order receives them all with sympathetic interest. Whenever a plea of this kind is made upon the floor of the convention the response is almost instantaneous, and despite the protests of the insurance officers and with a fine disregard for the business side of the matter, the Grand Division will vote to pay large policies which legally are

¹ This criticism cannot properly be directed against the plan used by the conductors, rather it relates specifically to the looseness with which it is sometimes conducted.

non-collectible. Such payments not only cripple the finances of the association but create a spirit of irresponsibility among members who feel that, even though they are negligent in their payments, the Grand Division will not see their families suffer. The conductors point to such acts with pride, as exemplifying their fraternal spirit.

(2) The plan of insurance is said to be faulty in that it does not permit members to provide for the future. While it is true that the insurance is issued under a continuing contract, it is nevertheless only a temporary affair. At the end of each year the accounts between the members and the Department balance; the members having paid the assessments due for that year and having received protection during the year of a value substantially equal to their total assessments. The members are "square" with the department, and, on the other hand, the department is free from all liability to them. It could close its books the next day and members would properly have no claim against it except in the case of the accumulated surplus of the reserve and mortuary funds, which would provide only a small dividend for the surviving members.

It is thus seen that the department plan of insurance provides for no accrued liability on the part of the Order, corresponding, for example, to the paid-up or surrender values in "old line" life insurance. Regular insurance companies collect premiums much higher than \$16 per \$1,000, and the excess thus obtained (over current losses, expenses, etc.) is held to accumulate. Out of this money the paid-up or surrender values are allowed, each member receiving from the fund a sum in due proportion to his contribution. The Order, however, collects only the \$16 and pays practically all of it in claims the same year.

(3) The plan is said to throw an unduly heavy burden upon the young man. That is, although all members, young

and old, pay \$16 per \$1,000 of insurance, the combined death and disability rate for members under fifty years of age is from \$10 to \$16 per \$1,000, while from fifty years to seventy it increases from \$16 to about \$50 per \$1,000, and above the latter age the death rate advances very rapidly. Thus it is apparent that the younger members, at \$16, are paying approximately 50 per cent more than their share, the older members one-half or one-third of their share, and the oldest only a fraction. A member as he grows older may, within certain limits, increase his insurance. In such cases the extra burden falls largely on the younger men.

(4) It is claimed that the plan is subject to constant increase in cost to the individual, since the amount of his premium necessarily tends to rise, for as the Insurance Department grows, the average age of its members increases, resulting in a corresponding rise in the death rate. Under present methods, where the living pay for the dead, a premium enough larger to cover the increased death rate is unavoidable. As indicative of this general situation figures are given for the years 1891 and 1913, showing that during the intervening eighteen years the average age of members in the Insurance Department rose from 37.73 to 43.8 years.

INCREASE IN AVERAGE AGE OF MEMBERS OF MUTUAL BENEFIT DEPARTMENT, 1891-1913

Year	Age	Year	Age	Year	Age
1891.....	37.73	1899.....	40.05	1907.....	
1892.....	36.71	1900.....	40.30	1908.....	
1893.....	37.01	1901.....	40.66	1909.....	41.84
1894.....	37.60	1902.....	40.91	1910.....	42.28
1895.....	38.14	1903.....	40.80	1911.....	43.4
1896.....	38.74	1904.....	40.96	1912.....	43.3
1897.....	39.27	1905.....	41.24	1913.....	43.8
1898.....	39.65	1906.....			

With reference to the objections noted above:

(1) Those who favor the present method of conducting insurance are always eager to answer objections. For instance, they deny the danger of transacting insurance in conjunction with trade union and fraternal activities. Special emphasis is laid upon the fact that the funds of the Benefit Department are always kept separate from those of the Order, a condition which for all practical purposes is sufficient protection they claim against misappropriation of funds.

They point out that, even in case of an emergency, such as a prolonged strike, it would be practically impossible for the Grand Division to use insurance funds unless this was the desire of a majority of members, in which case, it is argued, the transaction would be perfectly valid, on the ground that the members have a right to do as they see fit with their money.

The conductors also declare that fraternal features are not a disadvantage when conducted in connection with insurance. In fact, they insist that the primary object of the benefit department is "to give assistance in time of need." The feature distinguishing their insurance from that of private companies is that the operations of the department are not a mere matter of dollars and cents, but depend on a spirit of fraternalism which even though it does at times run contrary to accepted business methods, is nevertheless, the great driving force of the Order. "What difference does it make," asks the conductor, "if the Grand Division does allow technically illegal claims, so long as the spirit of fraternalism makes each member willing to contribute his mite toward meeting any deficit that may result?"

But the spirit of fraternalism goes farther than merely voting to pay non-collectible claims. For instance, a member of a certain local was taken to a hospital for the feeble-

minded, although protesting his normality. For twelve years the subordinate division of which he was a member fought both doctors and courts to secure his release. Finally they accomplished their purpose. The man returned to his home to find that during the twelve years of absence his local had been faithfully paying the monthly assessments upon his policy. Such incidents, which are constantly occurring, show that in fraternal insurance there is a bond of union stronger than any a private company could hope to possess.

In addition to its strictly beneficiary service, the advocates of the plan point out the various ways in which the insurance department is of advantage to the union. They emphasize the fact that it brings recruits who join to share the advantages which the insurance department offers; that it is an instrument for the maintenance of discipline in the hands of the officers; that the whole insurance scheme, in fact, is so bound up with the other aspects of trade-unionism that the conductor works for the welfare of the insurance department in the same spirit that he strives for increased wages or shorter hours.

(2) In reply to the objection that the Benefit Department does not permit conductors to provide for the future, supporters of the plan assert that such a belief arises from a misunderstanding of the purpose of the insurance features of the Order. The plan is not to provide insurance which in itself will prove protective to each individual member. They frankly admit that such a plan would lead directly to the adoption of some scheme of endowment insurance which would cost more than the average conductor can afford to pay. Consequently the Order has been forced to adopt some other plan of securing protection for its members. By consolidating his insurance with his trade activities and fraternal interests, the Order believes it has se-

cured the strongest safeguard for the future. Under such a plan the very basis on which his economic prosperity rests—the union—must be destroyed before his insurance can be greatly impaired. Under such conditions defenders of the plan argue that it is entirely unjust to say that the conductor is not safeguarded for the future. To be sure, in cases where he withdraws from the Benefit Department he has no "paid up" or "surrender values" due him, but it is pointed out that he has already received protection equivalent to all the money he has paid.

(3) In answer to the criticism that the plan tends to throw a large burden on the younger members, adherents of the method reply that this burden is more apparent than real. While it is true that the young man does pay assessments, larger in proportion to the risk assumed than those paid by the older members, such an arrangement is really advantageous in two ways. It prevents the older members from paying proportionately larger assessments at that period in life when they are least able to bear them, and on the other hand, the larger burden which the young man assumes is fully offset by the fact that when he grows older he is, in turn, relieved by those younger than he.

(4) Finally, members of the Order deny that the cost of their insurance will go on increasing indefinitely. As already stated, an increasing premium presupposes a constantly increasing death rate, but the conductors point out that death rates do not continue increasing year in and year out. There is an average maximum age in every stable organization, depending upon the average entrance age. When this age is once reached there is no general change in death rates unless the average age of entrance is altered. Judging from the fact that the Insurance Department is now over fifty years old, and that during the last twenty years the average age of entering members has remained

fairly constant, it would seem that the maximum is now being reached.

Nor is there likelihood of an increase in the maximum due to a higher average entrance age; on the other hand, the prospects are good that this average may be actually lowered. For example, if the Order should take in inter-urban (electric) conductors on any extensive scale, it is probable that the entrance age would be reduced, for these men, as a rule, are younger than conductors on steam roads, due to the fact that they have no long term of apprenticeship to serve. Again, the gradual decrease in the number of hours that constitute a day's work with its consequent demand for a larger number of conductors is likely to create a tendency on the part of railroads to shorten the term of apprenticeship for conductors employed on steam roads. Under such conditions, it is claimed there might easily be a marked decrease in the average age of entrance.

Not only do the conductors claim that there is no danger of constant increase in the amount of premiums paid, but, on the other hand, that there is a saving over commercial companies in two ways: (1) by offering a more liberal policy; (2) by furnishing insurance at lower rates. It will be recalled that the insurance laws of 1870 provided for the payment of a claim under one of two conditions,—either by death or by permanent disability. The matter of permanent disability has become one of increasing importance to railroad men. The average life insurance company interprets permanent disability to mean incapacity for "prosecuting any and every kind of business pertaining to a regular occupation." The conductors, on the other hand, have constantly broadened the scope of their disability clause until to-day it provides that any member who is incapacitated from performing the duties of a conductor is considered permanently disabled. When it is known that

approximately one-seventh of all the claims paid by the Order are for permanent disability, it is seen how important this provision has become.

The matter of the cost of insurance to the individual is even more fundamental. As already noted, during the early years of the association the matter of expense was inconsequential. The membership was so small that the assessment of \$1.00 per death came with comparative infrequency. Following the rapid increase in membership in 1883 death assessments rose rapidly until in 1886 they were \$19.00 a year per thousand. Complaints of excessive rates were made, and as there was a surplus in the treasury assessments were arbitrarily reduced to \$12.00. Beginning in 1891 when the ante-mortem premium was adopted, the rate was fixed at \$16.00. With a constantly increasing membership the conductors have found this rate more than ample to meet their needs.

Compared with insurance maintained by other railroad brotherhoods, the conductors insist that their Department appears to advantage. Their policies range from \$1,000 to \$3,000 with a flat rate of \$16.00 per thousand. The Engineers issue policies in amounts from \$300 to \$2,500 at the rate of \$17.80 per thousand. The trainmen's policies range from \$400 to \$1,200 at an average rate of \$18.00 per thousand. The switchmen furnish policies at \$22.50 per thousand.

Compared with rates charged by regular life insurance companies these premiums appear strikingly low. For example, the rate for a \$1,000 policy in the Aetna Life Insurance Company for engineers, firemen, trainmen and switchmen, is \$27.23; the rate for conductors is \$22.23—nearly 25 per cent more than the rate of the brotherhood. Nor can it be said that these great differences in rates represent mere good-will on the part of the brotherhood to-

ward its members. The lodge-room method of conducting insurance is admittedly more economical. There are no commissions to pay, and no dividends to be declared, no high salaries, no advertising, and many of the operations necessary to the insurance companies are here carried on by the other departments of the Order, or by the locals and at no extra cost. Then, too, the Order does not have the expenses of the insurance companies that are occasioned by lapses.

The reader should be warned, however, that while the lodge-room method of insurance affords distinct savings, that any general comparison of rates and policies is very apt to be fallacious. For example, the ascending scale of rates for conductors, firemen, engineers, trainmen and switchmen is largely due to the increased hazards of the particular occupation and to the character of work performed, that of conductor being least dangerous, while that of switchmen is considered "extremely hazardous." Again, any just comparison as to the "cheapness" of insurance should involve not only a minute comparison of the policies issued, but the various policies should all apply to a given man at a given time and age and while engaged in a given occupation. Thus most of the railway brotherhoods, and some private companies, pay for permanent disability the same as for death, and some of them have accident provisions that are not found at all in the policies issued by the Order.¹ In justice to all the railway brotherhoods it should be said that the rates of each are as low as conditions in the particular occupation and the terms of the policies warrant. All of the brotherhoods, moreover, effect the savings of the lodgeroom method of conducting insurance.

¹ In 1913 the Grand Division appointed a committee to devise a combination accident and death policy. This committee, however, does not report until the Grand Session in 1916.

CHAPTER XII

OTHER MUTUAL BENEFITS

As seen from the foregoing chapter, the Mutual Benefit Department of the Order has always been restricted to administering a system of life insurance. All other beneficiary activities were left to the local divisions—a plan possessing certain advantages with regard to ordinary relief functions, since the relatively small size of the subordinate afforded an element of personal knowledge and interest not possible through the central organization. Where members were sick, injured, or temporarily out of employment,¹ the local frequently gave financial or other assistance. In case of death, it was customary for the division to take charge of the funeral, sometimes assuming its expenses, and contributing to the support of the bereaved family. In all important respects, the beneficiary features of the subordinates corresponded with those of a purely fraternal society.

While this plan proved thoroughly efficient wherever intimate personal knowledge and a brotherly helping hand were all that was required, it was soon seen that the resources of the locals were too slender to withstand any severe or long-continued drain. For instance, while the local could give all needed aid in cases of temporary illness, it was frequently unable to cope with the situation where death left the family destitute. Thus it happened that at

¹ The assistance given to those out of employment was merely a relief measure. It was not done in an effort to maintain a standard wage, thus distinguishing it from insurance as a trade regulatory measure.

a comparatively early date, sentiment arose in favor of having the Grand Division assume such burdens, and various proposals were submitted for the creation of a death benefit fund under the jurisdiction of the national body. From this fund the families of deceased members were to be aided. Although easily confused with a matured life insurance policy, this benefit was in effect quite distinct and was to be given irrespective of membership in the Mutual Benefit Department. As late as 1889, President Wheaton proposed the adoption of a plan whereby a death benefit of \$300 per member should be assured—the money to be raised by direct assessment on all the surviving members of the Order for each case as it occurred. These suggestions were not followed, however, and the whole question was virtually closed in 1891 by the passage of the law compelling membership in the Mutual Benefit Department.

In addition to the expenses incident to death, other heavy and unexpected burdens often fell on subordinate divisions. Thus, following the creation of grievance committees in 1885, it was alleged that the members serving thereon were in many cases discharged by the railroads. The Order felt a moral responsibility to support such members but the task proved entirely too large for the locals. As a result the Grand Division in 1886 made provision for a national "protective fund." This sum of money, raised by direct assessment, derived its name from the fact that it was to be used in "protecting the men in their positions." The discharged conductor was to be given relief until he could again find employment, and in case it could be shown that he had been dismissed for serving on a grievance committee, he was to be furnished funds with which to institute a suit for damages against the railroad.

The scheme proved only partially successful. From

1887 to 1890 relief to the amount of approximately \$4,000 was given, but the plan of collecting damages from the railroads proved an utter failure. In 1891 the money in this fund was used as a basis for the present protective or strike fund already described in Chapter VIII.

PROTECTIVE FUND			
<i>Year</i>	<i>Receipts</i>	<i>Expenditures</i>	<i>Balance</i>
1887.....	\$2656.00	\$468.57	\$2187.43
1888.....		1204.01	983.42
1889.....	3314.75	1674.52	2823.65
1890.....		983.05	1840.06
Total.....		4338.15	

A third weakness of relief as administered by the locals appeared in connection with the care of aged and infirm members. At first the problem was not serious, but as the Order grew older, a constant increase occurred in the number of those incapacitated through age, the support of whom required a continuous outlay of funds far beyond the means of the locals. For many years the sole recourse of the subordinate lay in appeal to the Grand Division, where speeches on behalf of decrepit members, when made on the convention floor, were almost certain to bring forth instant and generous response, especially if the member making the appeal possessed capabilities as an orator.¹

Such methods, however, possessed obvious defects. Often the amount voted depended on the eloquence of the person making the plea rather than on the merits of the case, while it not infrequently happened that the Grand

¹ This plan has by no means been abandoned. Thus at the Grand Session in 1913, one speaker in making a plea for special relief for a disabled member not entitled to compensation under existing rules, exhibited the man himself on the platform, pointed out his afflictions and distributed photographs showing him undergoing various operations of a painful nature.

Division in a fine glow of generosity would vote to give more money than would later be found available, making necessary reconsideration of the action. Each local tried to secure as much assistance as possible for its afflicted members, irrespective of the amounts granted others in similar circumstances, and quite as naturally each felt aggrieved if its particular pleas were not granted. As a logical result of a system so wasteful of time and energy and so unevenly efficient as to result, a feeling of discontent became general throughout the Order, from which developed a sentiment in favor of placing the relief of aged and infirm members on a systematic basis in the hands of the Grand Division.

The first practical suggestion for such relief that appealed to the Order was made in 1897¹ when it was proposed to establish a National Home for Aged and Infirm Conductors.² This plan met with favor and for several years it was repeatedly brought before the Grand Divisions, where committees were appointed and elaborate reports prepared. Since the engineers, firemen and trainmen were facing the same problem, it was suggested that all four organizations join forces in establishing a National Home for their aged and infirm members. The way for such a scheme opened in 1901 when the trustees of the Home for Aged and Disabled Railway Employees of America, at Highland Park, Ill., offered to turn the home over to the four brotherhoods, on condition that each union should contribute \$15,000 immediately to a building fund and make proper provision for the future support of the Home.³ The idea proved popular and by 1910, the firemen, engineers and trainmen

¹ The question of a Home had been brought before the Order in 1878 and again in 1889, but had attracted little attention.

² *Proceedings*, 1897, pp. 297-404.

³ *Ibid.*, 1901, pp. 695-6, 720.

having voted the required amount, the arrangements for the transfer were completed. It had been rather taken for granted that the conductors would also join, but when the question was put to a vote, unexpected opposition developed. Many members, while anxious to secure old age benefits, objected to being sent to a "Home" and preferred to remain with their families, where it was claimed that in many cases, they could be provided for more cheaply and more satisfactorily. In 1911, after several years of discussion, the Grand Division definitely refused to vote the \$15,000.

While the discussion relative to a Home was thus dragging along from year to year the Order took a most important step towards relieving the condition of its needy members. It will be recalled that in connection with operating the Mutual Benefit Department there had always been a certain portion of the membership who favored a "liberal insurance policy", that is, one which would cover disabilities other than merely death and permanent incapacity. In 1901 those who believed in such a policy made a determined effort to "liberalize" the Benefit Department with special reference to paying disability claims. The movement was unsuccessful, but partly to satisfy the clamor for such a policy and partly to meet a real need, the Grand Division created a relief fund.¹ This is a sum of money raised by a direct assessment of \$3.00 per year upon each member of the Order. It is under the control of the Board of Directors. From this fund needy members are assisted irrespective of whether they live with relatives, in hospitals or in "homes".²

¹ *Proceedings*, 1901, pp. 509-10.

² Under this arrangement about a dozen men have chosen to enter the home at Highland Park.

The other brotherhoods have been much dissatisfied with this ar-

This plan proved popular from the very beginning. From 1901 to 1913 nearly 2,000 applications for relief were made, of which approximately one half have been granted. The total disbursements from this fund have been \$839,865.76. It was planned originally to allow each one on the relief roll a monthly stipend of \$45, but so great has been the demand that the directors have been obliged in nearly every case to scale down this amount. The allowances have actually ranged from \$5 to \$45 per month according to the need and funds available. In 1913, 415 were receiving an average of \$28 per month, only a little over one half the sum at first intended. This reduction has caused much dissatisfaction among the members, and within the last few years the relief system has been dubbed the "pittance fund" because of the small amounts paid. With reference to the limited sum at the disposal of the directors for this purpose, President Garretson suggested in 1913 that the number receiving relief should be reduced one half, thus allowing the remaining number to obtain the maximum benefit. The Grand Division, though recognizing the inadequacy of the present amounts in some cases, did not see fit to remedy it by the means proposed.

range ment, not only because the Order refuses to contribute its share to the building fund, but also because the relief granted the conductors at the home has been sufficient only to pay for their actual maintenance, making no provision for the general upkeep of the institution. It is further claimed that conductors who receive no assistance from the Order are kept at the home. The explanation offered by the Order is that private donations from its members are sufficient to cover such expenses. The other three brotherhoods respond that the sums thus raised are inadequate, and in 1913 the president of the Board addressed a letter to the Order stating that the present arrangement for admitting conductors was so unfair to the other brotherhoods that it would no longer be tolerated.

RELIEF FUND

<i>Year</i>	<i>Receipts</i>	<i>Expenditures</i>	<i>Balance</i>
1901.....	\$25,480.00	\$4,386.60	\$21,099.40
1902.....	27,298.00	16,801.60	31,595.80
1903.....	30,069.00	23,853.00	37,841.80
1904.....	33,263.00	30,390.25	40,714.55
1905.....	34,922.00	35,366.45	40,270.10
1906.....	37,394.20	35,465.50	42,198.80
1907 ¹	65,074.00	49,048.90	58,223.90
1908.....	85,484.00	67,759.20	75,948.70
1909 ²	104,936.50	80,533.15	100,352.05
1910.....	93,864.75	93,226.00	100,990.80
1911.....	97,650.25	111,995.28	86,645.77
1912.....	144,947.00	135,935.95	95,656.82
1913.....	145,831.50	155,103.88	86,384.44

Referring to the relief fund, Mr. Charles Wilkins, for a number of years a vice-president of the Order and now Chief Clerk in the President's office, writes as follows:

Personally, I am of the opinion that this law is the best piece of legislation the Order of Railway Conductors ever enacted, and I am constrained to believe that more good results from the disbursement of this money than could possibly result from the same amount of money disbursed in any other way.

There were a large number of our members who were in favor of paying men disabled, as many of those are who are drawing relief, the full amount of their insurance policy, and I am of the opinion that the creation of the Relief Fund has been of great benefit not alone to the Brother disabled, but to his family who are dependent upon him, and who in the absence of any insurance accruing to them upon the Brother's death, would in many cases become a public charge.

To illustrate what I mean, if we had, instead of enacting the law governing the Relief Fund, changed our Mutual Benefit laws to pay these same men the full amount of their policy, the amount so paid would have been frittered away in a comparatively short time, and when they were taken away their

¹ \$25,000 from general order fund.

² \$15,000 from general order fund.

family would have absolutely nothing upon which to depend except the cold charity of the world.

By the adoption of the Relief Fund we have paid to these same men, in some cases, more than double the amount of their insurance policy, and their insurance policy is still intact and its face value will be paid to the beneficiary upon the death of the Brother, providing no forfeiture, of course, occurs between now and the time of such death.

Scarcely had the general relief fund been established when the Order was called upon to face a new problem in the same line. The number of members afflicted with insanity was becoming so large as to demand special attention. They were often unable to realize their insurance because their condition did not bring them within the "permanent disability" provisions of the Mutual Benefit Department. Many of the cases were especially pitiful because of the burden thrown on the family, as the one afflicted was not only unable to support those dependent on him but caused the expenditure of much time, strength and money on their part. To give special relief in such cases the Grand Division in 1903 set aside \$5,000 as an insane fund. In 1908, the directors added \$1500 and in 1909 the Grand Division appropriated \$5,000 additional. The expenditures from this fund have been as follows:

RELIEF TO FAMILIES OF INSANE MEMBERS

<i>Year</i>	<i>Expenditures</i>
1903.....	\$5,000
1904.....	735.00
1905.....	302.00
1906.....	790.00
1907.....	1,290.00
1908.....	2,155.00
1909.....	2,100.00
1910.....	1,579.00
1911.....	1,609.00
1912.....	1,530.00
1913.....	1,102.00

Efficient as were all these measures of relief, they did not squarely meet the problem with which the Order was grappling, namely, old age. What to do with the old and incapacitated is one of the most serious questions that confronts any trade union making a feature of beneficiary activities. In the case of the Order this has been especially true, not only because the conductors have always shown a strong fraternal feeling, but also because of the age of the brotherhood and the character of work performed by its members. The very fact that the Order has been in existence for nearly fifty years means that it will henceforth carry on its rolls a large number of men who have passed the age of industrial activity. This condition is aggravated by the increasingly strict age-limit rules of the companies, and the hazardous nature of railroad work.

There have been members who foresaw that the union would eventually have to face the whole problem of old age pensions. For several sessions the question was discussed, but nothing definite was done until in 1907, when a committee was appointed to secure fuller information regarding various pension plans. This committee collected some important data, including statistics relating to the Order, but nothing was ever formulated in the way of definite proposals. The question was again before the Grand Body in 1909 when a committee was once more appointed—this time with instructions to report some plan back to the Grand Division. It was intended to have this report made before the session adjourned, but the committee was soon convinced that nothing of a substantial nature could be prepared in so short a time. They were accordingly given until the next biennial session to prepare a report and funds were furnished with which to conduct their investigations.

In approaching the pension question the committee found three general courses open: (1) Congress could be asked

to furnish pensions to all aged and infirm conductors. (2) The railroads could be urged to adopt a pension system on behalf of their employees. (3) The Order could conduct its own pension system.

The idea of seeking congressional aid was finally abandoned on the ground of impracticability, the committee being unanimous in its belief that even if Federal assistance could be secured, which was doubtful, it would be granted only under restrictions that would prove inimical to the Order. The suggestion of asking the railroads to establish a pension system was abandoned on the ground that the roads might use it as a weapon to destroy the effectiveness of the union. For instance, the railroads might stipulate that, in order to be eligible for a pension, no employee could engage in a strike—by such a regulation undermining the protective features of the Order. To emphasize the fact that such restrictions were not impossible, evidence was given showing that on certain roads, maintaining pension systems, strike votes were noticeably low.

The committee accordingly at once set to work on the third idea. A large amount of statistical information was compiled, and pension plans, ranging from the most fantastic to the purely scientific, were submitted by members of the Order.

Realizing its own limitations in dealing with a question which appeared to grow more complicated each day, the committee sought the aid of actuarial statistics. It soon developed that there were four possible ways in which a pension fund could be created: (1) by arbitrarily using money belonging to the Mutual Benefit Department; (2) by some scheme of flat assessment; (3) by a plan based on pure endowment; (4) by a pure endowment plan modified according to the peculiar needs of the Order.

In their final report to the Grand Division the committee

outlined these possible plans, calling attention to the merits and objections to each. To illustrate the dangers of the first plan, they submitted the following proposition—suggested by a member at large—which may be taken as fairly typical of the schemes with which the committee was deluged:

Each member in the Mutual Benefit Department was to make payments as before until he should reach the age of seventy, after which he should not only discontinue the payments, but should receive an annual pension to equal ten per cent of the insurance carried. Under such a plan a member holding a \$1,000 policy would be paid a pension of \$100 for a period of ten years. Other provisions of a like nature were incorporated.

As already seen from the study of the Mutual Benefit Department contained in the preceding chapter, such a proposal showed a complete misunderstanding of the insurance conducted by the Order. Its weaknesses were set forth by one of the actuaries when he wrote:

If it is intended that the Insurance Department make these payments, it is only necessary to point out that the moment a member fails to pay any assessment, that moment all financial liability on the part of the Department as regards him must cease, for it has no funds accumulated with which to discharge any liability. All his assessments (except the small amounts he contributed to the Mortuary and Reserve Funds) have been paid out in claims and he has already received their equivalent in protection. At the very most, his is not even a renewable term policy; by no sleight-of-hand can it be converted into an endowment at the age of 70. Clearly their Insurance Department cannot pay this 10 per cent "until finally paid".

In commenting on projects based on flat assessments the committee pointed out that while they seemed alluring, be-

cause the initial rates were low, premiums had to be continually increased when carried through a series of years. Not only would this constant changing of rates prove a source of irritation and misunderstanding on the part of members, but any miscalculation in rates might lead to serious consequences. Consequently the committee abandoned all flat assessment plans.

Turning to straight endowment, the committee gave much attention to its possibilities. By one of the plans suggested, each member on joining the Order should begin paying premiums toward his pension fund, the rate to depend on his age, and to be "level," that is, constant throughout the time of his membership. Thus to secure a pension of \$30 a month at the age of 70, it was found that a man entering at the age of 20 would have to pay an annual premium of approximately \$9.00, while one entering at 30 would have to pay \$15. This plan possessed certain advantages, as pointed out by one of the actuaries:

It is obvious that under an unmodified endowment plan, where each member provides all his own pension, it is immaterial to the others when any member retires, because he can benefit only from his own share of the accumulated funds, and his share can be accurately determined. Thus, a member entering at age 20 and paying assessments to provide him a pension at age 70, might decide, when reaching age 65, to retire at once. The fund, could, in full justice to him and to all the other members, pay him a pension, but scaled down from the full pension. It would be scaled because he would be paying assessments for five years less than he contracted to pay, interest would have five years less to accumulate, he could not participate in the 65-70 forfeitures, because his action might be a selection against the fund and, finally, because his expectancy would be normally greater at 65 than at 70. But, under the endowment plan, all these factors could be taken into account and his proper pension computed for age 65. On

the other hand, if, for any reason, he desired not to retire until an age higher than 60, or whatever normal retirement age is fixed, the increase in his pension warranted by his further assessments, by the excess of interest earnings, *etc.*, could be computed and paid to him with absolutely no injustice to the other members.

The endowment plan is thoroughly flexible and can be made to meet any reasonable requirement with fairness to all.

In spite of its evident superiority, the pure endowment plan was found to possess certain disadvantages. The premiums of members above the age of fifty, for instance, became so high as to be practically prohibitive, while the system made no provision at all for members who had already reached the age of seventy. These objections were so serious that the committee turned to still another plan—a modification of pure endowment. By deferring payment of all pensions for a period of five years after assessments had begun, by a graduated scaling down of rates paid by the members above forty, and paying them half pensions only for a period of five years, it would be possible to inaugurate a plan that would meet the needs of the union. The deficit caused by this scaling down of premiums would be met by a direct assessment on all members of the Order. For some time this deficit would tend to increase rapidly, but a maximum would be reached after which the deficit would diminish so that by the time the members then forty years of age should reach seventy, it would have been done away with entirely, and thereafter the scaling down would cease and each member would be paying for his own pension on a pure endowment basis.¹

The various plans reported by the Pension Committee

¹ The plan of modified endowment was suggested by Morton C. Bradley, expert actuary of Boston, to whom the writer is under obligation for suggestions and materials used in this chapter.

seemed to confuse rather than assist the Grand Division. Many members complained that the reports were nothing but masses of statistics, while others failed to understand the terminology. Although sentiment favorable to a pension system was evident on every hand, the Jurisprudence Committee, to which the report was referred, reported unfavorably on all the plans. Pure endowment systems were abandoned because of the expense involved, the Order refusing, however, to consider anything that was not thoroughly "scientific." The whole situation was aptly summed up by one of the executive officers when he said: "The men clearly want a pension system but they haven't yet reached the stage where they are willing to pay for it."

The argument against a pension system which carried most weight was that of the expense falling upon the younger members. It was stated, and apparently accepted as true, that the dues of the Order had already reached a point where they were retarding the admission of young conductors, and it was feared that the additional expense of an old age pension would tend still more either to induce conductors to remain in the Trainmen's organization or keep them out of the brotherhoods altogether. On the other hand, those who believed in a "scientific" pension plan urged their case upon the ground that such a plan would not throw an unduly heavy burden on the young member, since each man would pay for his own pension.

The latest form of relief inaugurated by the Order is a National Employment Bureau, established in 1913¹ and operated at the national headquarters at Cedar Rapids, Ia. A similar scheme was launched in 1888² but proved a failure. For a number of years the Grand Divisions made small contributions to the "Chicago Conductors" Council,

¹ *Proceedings*, 1913, p. 748.

² *Ibid.*, 1888, p. 237.

which was virtually an employment bureau. Within recent years, however, the demand for a "national" agency has been general throughout the Order. It is yet too early to tell whether or not the plan of having one central agency located in a small city like Cedar Rapids will prove successful.

No study of the beneficiary features of the Order would be complete without mentioning the work done by the Ladies' Auxiliary. This organization began at Fort Wayne, Ind., in 1888 as a local society composed of the wives and mothers of the members in Wayne Division No. 19, Order of Railway Conductors. The plan was immediately adopted in other places and similar societies were formed. The idea spread so rapidly that in 1889 a Grand Division was elected and in 1891 the organization was officially recognized as the Ladies' Auxiliary of the Order of Railway Conductors. At the present time it has approximately 300 divisions with a total membership of 15,000. The Grand Sessions are convened biennially at the same time and in the same city as those of the Order, although the meetings are entirely distinct. In 1895, the Auxiliary created its own beneficiary department, which at present has a membership of 2,300.

While the aims of the Ladies' Auxiliary are intellectual and social as well as beneficiary, its activities in the last named capacity have been of special service to the conductors as supplementary to the work of the local divisions in caring for the sick and injured. Committees of the Auxiliary are always present to offer their services in case of death, and the funds of its own beneficiary department are used to relieve as far as may be, the burden that falls on the family.

APPENDIX A

LIST OF GRAND CHIEF CONDUCTORS AND PRESIDENTS *

1868-1913

Name	Residence	Date of Service
J. C. Coleman	Galesburg, Ill.	July, 1868, to December, 1868.
A. R. Church	Fort Wayne, Ind.	December, 1868, to October, 1869.
A. G. Black	Fort Wayne, Ind.	October, 1869. Died August 23, 1870.
C. S. Moore	Martinsburg, W. Va.	Succeeded by death of A. G. Black, to November, 1871.
I. N. Hodges	Wellsville, O.	November, 1871, to November, 1872.
J. W. Silsbee	Scranton, Pa.	November, 1872, to November, 1873.
G. Z. Cruzen	Crestline, O.	November, 1873, to November, 1875. (Expelled by Grand Division, Atlanta, November, 1875).
Wm. L. Collins . . .	Hornellsville, N. Y.	November, 1875, to October, 1878.
John B. Morford . .	New York City	October, 1878, to October, 1880.
C. S. Wheaton . . .	Elmira, N. Y.	October, 1880, to July, 1890.
E. E. Clark	Ogden, Utah	July, 1890, to September 1, 1906.
A. B. Garretson . .	Denison, Tex.	September 1, 1906, to —.

* A. B. Garretson was the first executive to receive the title of President. Previous to his time the term used was Grand Chief Conductor.

APPENDIX B

LIST OF RAILROADS UPON WHICH SYSTEM FEDERATION HAS BEEN ENTERED INTO BY THE ORDER

ABBREVIATIONS:

- O. R. C.=Order of Railway Conductors.
- B. L. E.=Brotherhood of Locomotive Engineers.
- B. L. F. & E.=Brotherhood of Locomotive Firemen and Enginemen.
- O. R. T.=Order of Railway Telegraphers.
- B. R. T.=Brotherhood of Railroad Trainmen.

- Atlanta, Knoxville & Northern RailwayEffective Jan., 1902.
B. of L. E., B. of L. F. & E., O. R. C. Dissolved by absorption of
the A. K. & M. by Louisville and Nashville.
- Baltimore & Ohio Southwestern RailwayEffective April, 1902.
B. L. E., B. L. F. & E., B. R. T., O. R. C.
- Bangor & Aroostock RailwayEffective Feb., 1903.
B. L. E., B. L. F. & E., O. R. C., B. R. T., B. L. E., withdrew
January 1904. B. L. F. & E., withdrew May, 1904. No record of
any later Federation.
- Bessemer & Lake Erie RailwayEffective May, 1902.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Boston & Albany RailwayEffective July 24, 1911.
B. L. F. & E., O. R. C., B. R. T.
- Boston & Maine RailwayEffective March 30, 1912.
O. R. C., B. R. T., B. L. F. & E.
- Buffalo, Rochester & PittsburgEffective May, 1904.
B. L. E., B. L. F. & E., O. R. C., B. R. T., and O. R. T.
- Canadian Northern RailwayEffective July, 1902.
B. L. F. & E., O. R. C., B. R. T., O. R. T. B. L. E. admitted Sep-
tember, 1904.
- Canadian Pacific RailwayEffective November, 1900.
B. L. F. & E., O. R. C., B. R. T.
- Central Vermont RailwayEffective February, 1906.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Chicago & Northwestern RailwayEffective June 24, 1912.
O. R. C., B. R. T., B. L. F. & E.
- Chicago Burlington & Quincy RailwayEffective May 7, 1913.
O. R. C., B. R. T., B. L. F. & E.

- Cincinnati, Hamilton & Dayton RailwayEffective March, 1902.
B. L. E., B. L. F. & E., O. R. C., B. R. T., O. R. T.
- Cleveland, Cincinnati, Chicago & St. Louis Ry.Effective Sept., 1903.
B. L. E., B. L. F. & E., O. R. C., B. R. T. B. R. T. withdrew
March, 1907.
Renewed by all four organizationsDec. 30, 1911.
- Colorado Midland RailwayEffective March, 1902.
B. L. E., B. L. F. & E., O. R. C., B. R. T., O. R. T.
- Colorado Southern RailwayEffective March, 1904.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Colo. Springs & Cripple Creek District Ry.Effective Oct., 1905.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Delaware & Hudson RailwayEffective April, 1904.
B. L. E., B. L. F. & E., O. R. C., B. R. T., O. R. T. B. L. E. with-
drew March, 1906.
- Delaware, Lackawanna & Western Ry.Effective Nov., 1901.
B. L. E., B. L. F. & E., O. R. C., B. R. T., O. R. T.
- Denver & Rio Grande RailwayEffective Sept., 1901.
B. L. E., B. L. F. & E., O. R. C., B. R. T., O. R. T. O. R. T. with-
drew October, 1904. Federation dissolved January 9, 1907.
- Denver & Rio Grande RailwayEffective Jan. 12, 1912.
O. R. C., B. R. T., B. L. F. & E.
- Denver, Northwestern & Pacific Ry.Effective November, 1907.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Detroit, Toledo & Ironton RailwayEffective Sept., 1901.
B. L. E., B. L. F. & E., O. R. C., B. R. T. B. L. E. withdrew
December, 1902.
- Duluth Iron Range RailwayEffective November, 1901.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Duluth, Missabe & Northern RailwayEffective October, 1901.
B. L. E., B. L. F. & E., O. R. C., B. R. T. O. R. T. admitted
December, 1903.
- Erie RailroadEffective October, 1902.
B. L. E., B. L. F. & E., O. R. C., B. R. T., O. R. T.
- Fremont, Elkhorn & Missouri Valley Ry.No Record.
- Florence & Cripple Creek RailwayEffective October, 1902.
B. L. E., B. L. F. & E., O. R. C., B. R. T. B. R. T. withdrew
October 25, 1902.
- Georgia RailwayEffective Nov. 1, 1911.
O. R. C., B. R. T.
- Grand Rapids & Indiana RailwayEffective March, 1906.
B. L. E., B. L. F. & E., O. R. C., B. R. T. Renewed Jan. 17, 1914.
- Great Northern RailwayEffective May, 1910.
O. R. C., B. R. T., B. L. F. & E. No record that the B. of L. E.
was ever party to this Federation.

- Gulf Colorado & Santa Fe Effective Oct. 24, 1912.
O. R. C., B. R. T., B. L. F. & E.
- Gulf & Ship Island Railway Effective Sept., 1901.
B. L. E., B. L. F. & E., O. R. C., B. R. T. No record of the
withdrawal of the B. of L. E.
- Houston & Texas Central Effective Jan. 10, 1914.
O. R. C., B. L. E., B. L. F. & E., B. R. T.
- Huntingdon & Broadtop Mountain Railway Effective May, 1908.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Indiana, Decatur & Western Railway This is included under
head of C. H. & D.
- Iowa Central Railway Effective October, 1906.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Kansas City, Mexico & Orient Railway Effective May 9, 1912.
O. R. C., B. R. T., B. L. E. and B. L. F. & E.
- Kansas City Southern Railway Effective April, 1903.
B. L. E., B. L. F. & E., O. R. C., B. R. T., O. R. T. O. R. T. with-
drew April, 1905.
- Lehigh Valley Railway Effective October, 1905.
O. R. C., B. R. T. O. R. C. withdrew April, 1906.
- Long Island Railway Effective November, 1909.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Louisiana & Arkansas Railway Effective May, 1904.
B. L. E., B. L. F. & E., O. R. C.
- Louisiana Ry. & Navigation Co. Effective April, 1909.
B. L. E., O. R. C.
- Mexican International Railway Effective December, 1903.
B. L. E., B. L. F. & E., O. R. C. There may be some question as
to Federation on the Mexican since the merger.
- Mexican National Railway Effective September, 1902.
B. L. E., O. R. C.
- Minneapolis, St. Paul & Sault Ste Marie Effective March 30, 1904.
B. L. E., B. L. F. & E., O. R. C., O. R. T. and B. R. T.
- Mississippi Central Railroad Effective September, 1909.
B. L. E., O. R. C., B. R. T. Order's records fail to show the
B. L. F. & E. as a member of Federation, nor do they show any
withdrawal on the part of the B. of L. E.
- Missouri Pacific Railroad Effective October, 1901.
O. R. C., B. R. T., O. R. T. B. L. E. admitted February, 1902.
B. L. F. & E. admitted July, 1903. O. R. T. withdrew Sep., 1904.
- New Orleans Texas & Mexico Effective Dec. 7, 1911.
(B. S. L. & W.—C. & N. W.) O. R. C., B. L. E.
- New York Central Effective Nov. 25, 1911.
O. R. C., B. R. T., B. L. F. & E.

- Northwestern Pacific Effective March 25, 1911.
B. L. E., O. R. C., B. R. T.
- Northern Pacific Effective April, 1910.
O. R. C., B. R. T., B. L. F. & E.
- Pere Marquette Railway Effective May, 1902.
B. R. T., O. R. T., O. R. C. admitted October, 1902.
- Pere Marquette Effective Feb. 25, 1914.
O. R. C., B. R. T., B. L. E. & B. L. F. & E.
- Pennsylvania Lines East Effective Dec. 9, 1911.
O. R. C., B. R. T., B. L. F. & E. O. R. C. out 6-25-12 operation
last Par. Sec. 3 of Plan. O. R. C. readmitted 4-18-13.
- San Antonio & Arkansas Pass Effective Aug. 14, 1912.
O. R. C., B. R. T., B. L. E. & B. L. F. E.
- St. Johnsbury & Lake Champlain Ry. Effective August, 1909.
B. L. E., B. L. F. & E., B. R. T., O. R. C.
- St. Louis, Brownsville & Mexico Ry. Effective April, 1908.
B. L. S., B. L. F. & E., O. R. C.
- St. Louis & Southwestern Ry. Effective March, 1902.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Texas Midland Effective March 17, 1911.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Toledo & Ohio Central Railway Effective June, 1902.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Tonopah & Goldfield Railway Effective April, 1907.
B. L. E., B. L. F. & E., O. R. C., B. R. T.
- Union Pacific Railroad Effective October, 1901.
B. L. E., B. L. F. & E., O. R. C., O. R. T., and B. R. T. O. R. T.
withdrew December, 1903. No record of any later Federation
than 1901.
- Wabash Railway Effective Oct. 5, 1912.
O. R. C., B. R. T. & B. L. F. & E.
- Western Maryland Railroad Effective June, 1905.
B. L. E., B. L. F. & E., O. R. C., B. R. T. B. L. E. withdrew
December, 1906. B. L. F. & E. withdrew February, 1907. B. R. T.
withdrew February, 1907. O. R. C., withdrew April, 1907.
- Wisconsin Central Railroad Effective April, 1907.
B. L. E., B. L. F. & E., O. R. C., B. R. T. Since the merger of the
Wisconsin Central with the Minneapolis, St. Paul and Sault Ste.
Marie this would be embraced under the head of the last named
road.
- West Virginia, Central & Pittsburg Ry. Effective October, 1906.
B. L. E., B. L. F. & E., O. R. C., B. R. T. B. R. T. withdrew De-
cember, 1906.

Name of
Company

Atlantic and
Pacific
(Western
Division)

Atchison
Topeka and
Sante Fe

Chicago
Rock Island
and Pacific

Chicago
and
Northwestern

Chicago
Milwaukee
and St. Paul

Duluth
and
Iron Range

Missouri
Pacific

Union Pacific
(Mountain
Division)

Illinois
Central

Name
Company

Baltimore
Ohio
Southwest

Cleveland
Cincinnati
Chicago
St. Louis

Chicago
Atlantic
(Merged
Erie prior
1900)

Michigan
Central

New York
Chicago
St. Louis

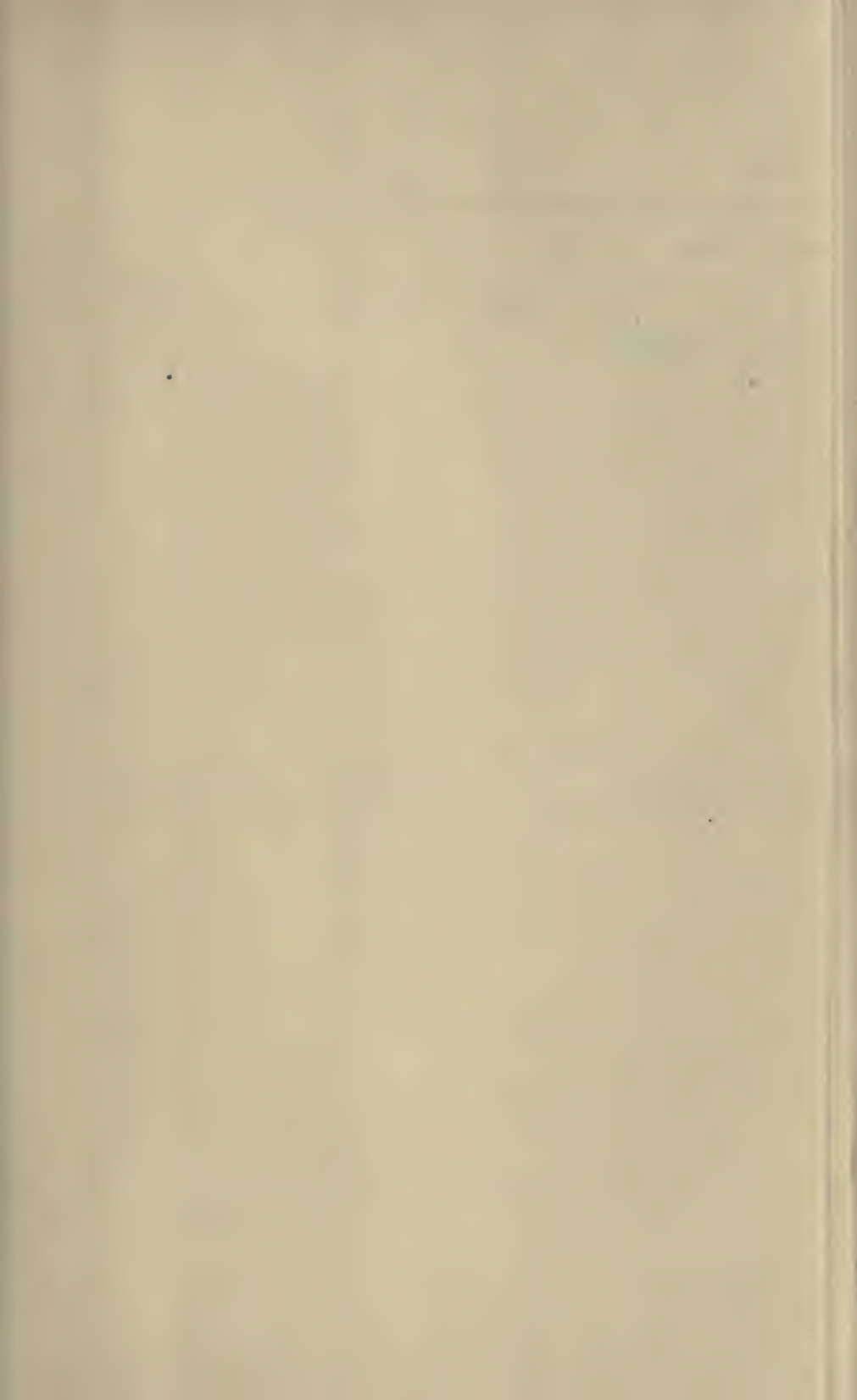
Baltimore
and Ohio
(Transportation
Division)

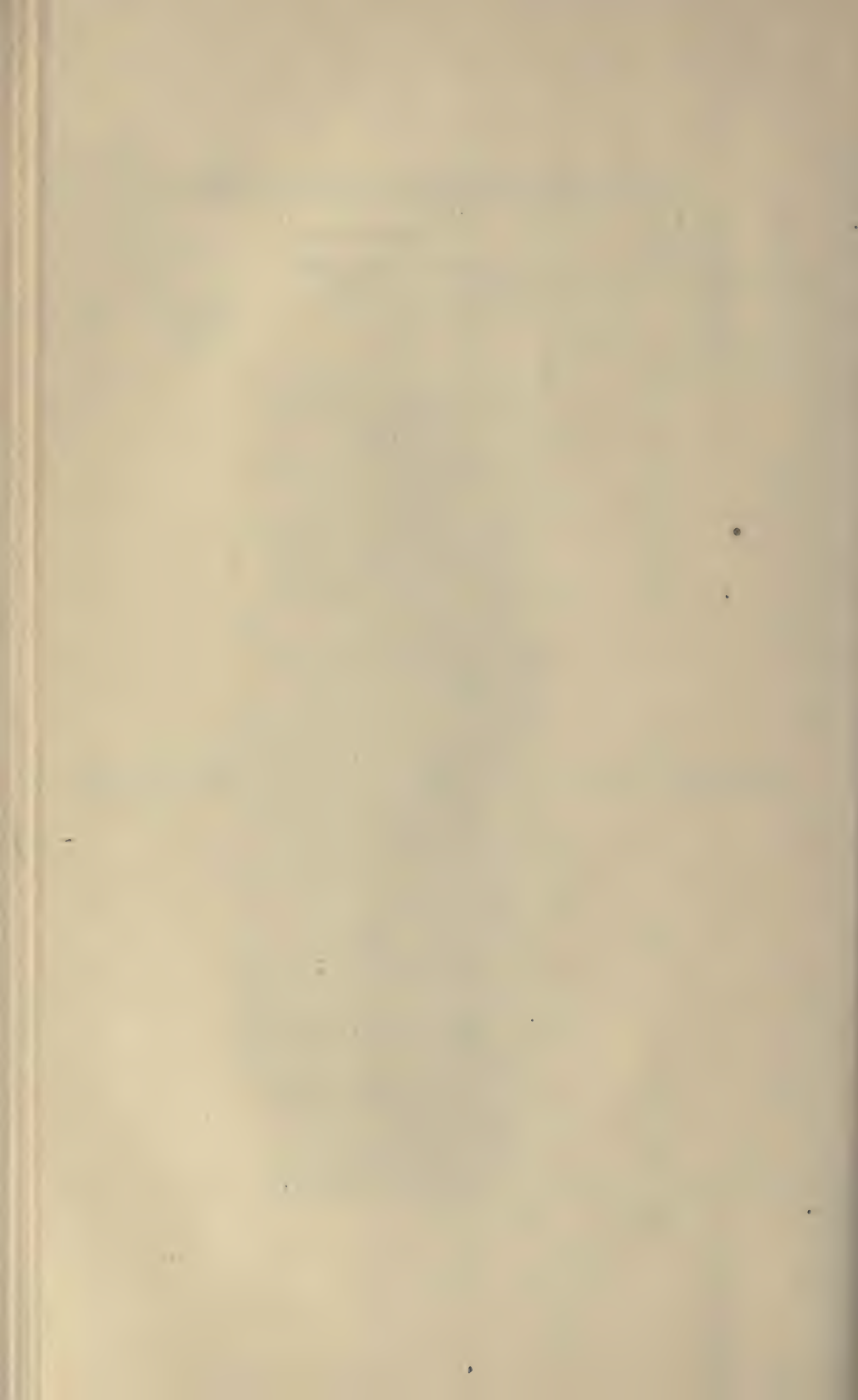
Pittsburgh
and Ohio
(Transportation
Division)

APPENDIX C—CONCLUDED

Southern Association

Name of Company	Class of Service	1890			1900			1910		
		Wage Scale	Based on Mileage or Hours	Rate of Overtime	Wage Scale	Basis	Overtime	Wage Scale	Basis	Overtime
Chesapeake and Ohio	Passenger.	Through \$112 month. Local \$107 mo.	Mileage.	No provision.	Through \$112 month. Local \$107 mo.	Mileage.	27 cents per hour.	\$0.275 per mile or \$1.25 month minimum.	10 hours day.	Pro rata.
	Through freight.	\$1.45-\$4.75 (56-168 miles).	No. miles run. 12 hours day.	25 cents per hour.	3 cents per mile (approximate).	100 miles day.	27 cents per hour.	\$0.375 per mile.	"	"
	Local freight.	\$85 month.	" "	25 cents per hour.	4 cents per mile (approximate).	100 miles day.	27 cents per hour.	\$4.25 per day.	"	"
Mobile and Ohio	Passenger.	\$90 month.	Mileage.	No provision.			No provision.	\$0.25 per mile. \$3.25 per day.	155 miles or more per day. Under 155 miles per day.	Graded in creases.
	Through freight Local freight	\$3.25 per trip. \$3.50 per trip.	Mileage. 12 hours day. Mileage.	15 cents per hour. 13½ cents per hour.	\$3.455 per trip.	Dependent on mileage. 12 hours day.	Regular rate. "	\$0.315 per mile. \$0.415 per mile.	100 miles day. 100 miles day.	40 cts. per hr. after 12 hrs. 38 cts. per hr.







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No.	Date of inauguration	Railroads involved
1	Jan. 20, 1891	Chicago & Erie
2	Mar. 16, 1892	Canadian Pacific
3	Feb. 18, 1893	Savannah, American & Montgomery
4	Nov. 19, 1893	Lehigh Valley

No.	Date of inauguration	Railroads involved
5	May 9, 1904	Mobile & Ohio
6	Oct. 26, 1905	Huntingdon & Broad Top M
7	July 13, 1909	Huntingdon & Broad Top M
8	April 4, 1910	Tonopah & Goldfield

STRIKES ENGAGED IN BY THE ORDER OF RAILWAY CONDUCTORS

No.	Date of inauguration	Railroads involved	Organizations involved	Officer in charge	Causes	Results	Date called off	Remarks
9	July 18, 1910	Grand Trunk	Order of Railway Conductors. Brotherhood of Railroad Trainmen.	S. N. Berry, Vice President.	Effort to secure increased compensation through Eastern Association movement.	Success. Demands granted. All strikers taken back except those guilty of violence or disorderly conduct.	Aug. 2, 1910	
10	April 17, 1912	National Lines of Mexico	Order of Railway Conductors. Brotherhood of Locomotive Engineers.	E. P. Curtis, Vice President.	Company's mandate that all business, oral and written, be carried on in Spanish, with other evidences of desire to replace Americans with Mexicans.	Failure. Men all left Mexico and many found employment in the States.		Equivalent to relinquishing jurisdictional claims to Mexico.
11	Oct. 1, 1912	Georgia	Order of Railway Conductors. Brotherhood of Railroad Trainmen.	F. O. Gregg, Vice President.	One member from each organization discharged.	Success. Strikers returned to service. Reinstatement of the two discharged men left to arbitration.	Oct. 12, 1910	
12	Nov. 13, 1913	Southern Pacific Atlantic System	Order of Railway Conductors. Brotherhood of Railroad Trainmen. Brotherhood of Locomotive Engineers. Brotherhood of Locomotive Firemen & Engineers.	S. N. Berry, Vice President.	New Asst. Gen. Manager cancels agreements already made and to meet joint refusal to meet strikers, and all joint committee strikers reinstated from unions.	Success. Company recedes from position. Agrees to meet strikers, and all strikers reinstated.	Nov. 17, 1913	

APPENDIX E—CONCLUDED

STRIKES ENGAGED IN BY THE ORDER OF RAILWAY CONDUCTORS

Delaware and Hudson

Inaugurated January 19, 1914. Called off January 19, 1914.

Organizations involved: O. R. C. and R. R. T.; B. L. F. & E., and O. R. T.

Officer in charge, M. C. Carey, Vice President.

A seeming indisposition on part of managing officers to see that schedule provisions were carried out when their attention was called to the manner in which subordinate officers applied the same. This, together with what the Joint Committee believed to be the unjust dismissal of a Conductor and Engineer, and the impossibility of reaching any satisfactory settlement of these matters, resulted in the men leaving the service at 5:45 A. M. of January 19, 1914. The Company requested the National Commissioner of Mediation and Conciliation to intervene, and Assistant Commissioner Hangar went to Albany, and as a result thereof the following agreement was entered into:

"The Company agrees to restore to the service Conductor Slade and Engineer Lynch; the organizations will return the striking employees to the service immediately, with the understanding that all employees affected by the strike will be restored to their former positions in the service, retaining their full seniority rights and roster standing as held by them prior to strike. The representatives of the employees will use every possible effort to restore normal conditions on the road immediately. The other matters at issue which have not yet been fully agreed upon will be disposed of by further conference between the representatives of the men and the representatives of the road."

The men were immediately ordered to return to service in accordance with this agreement.

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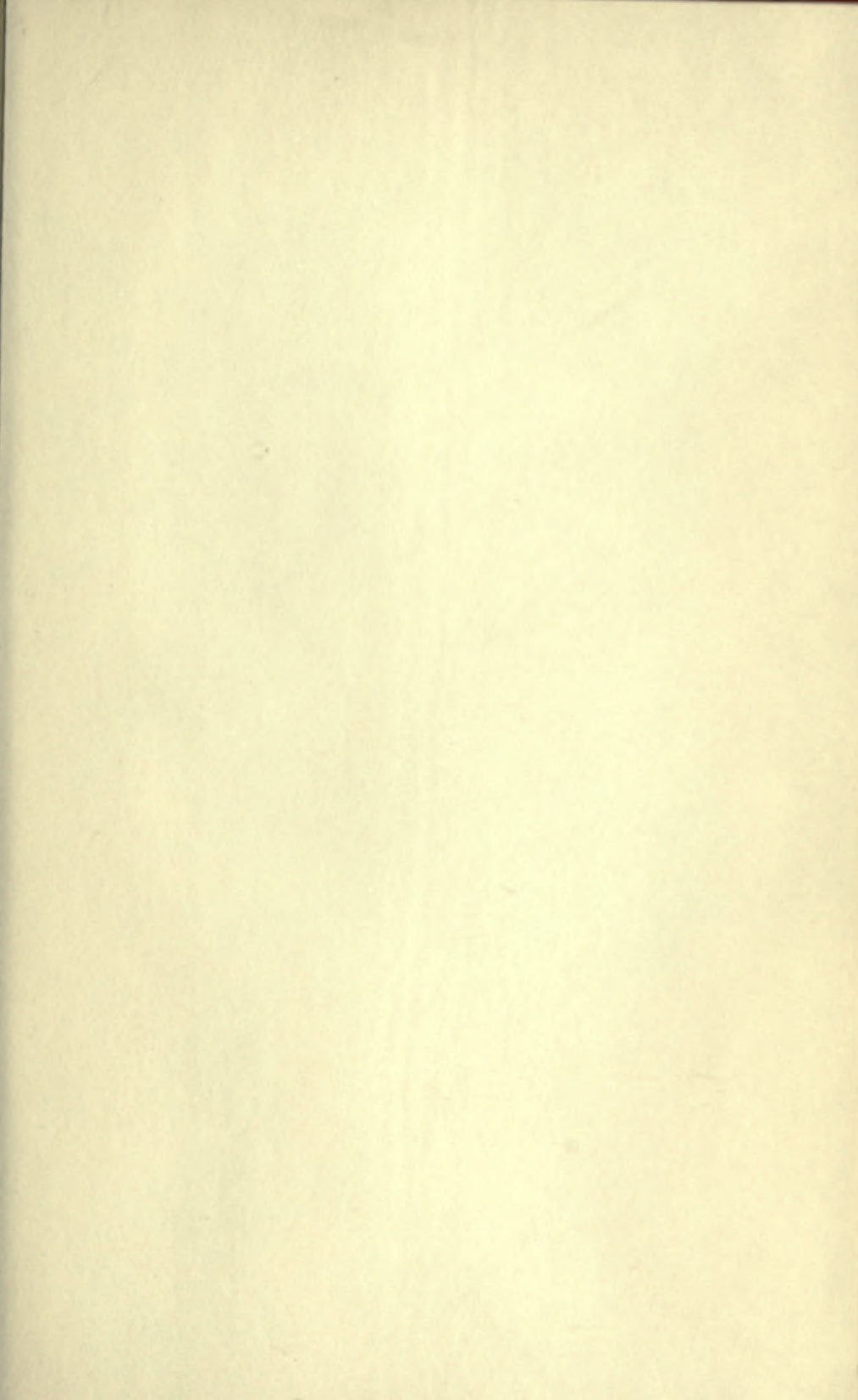
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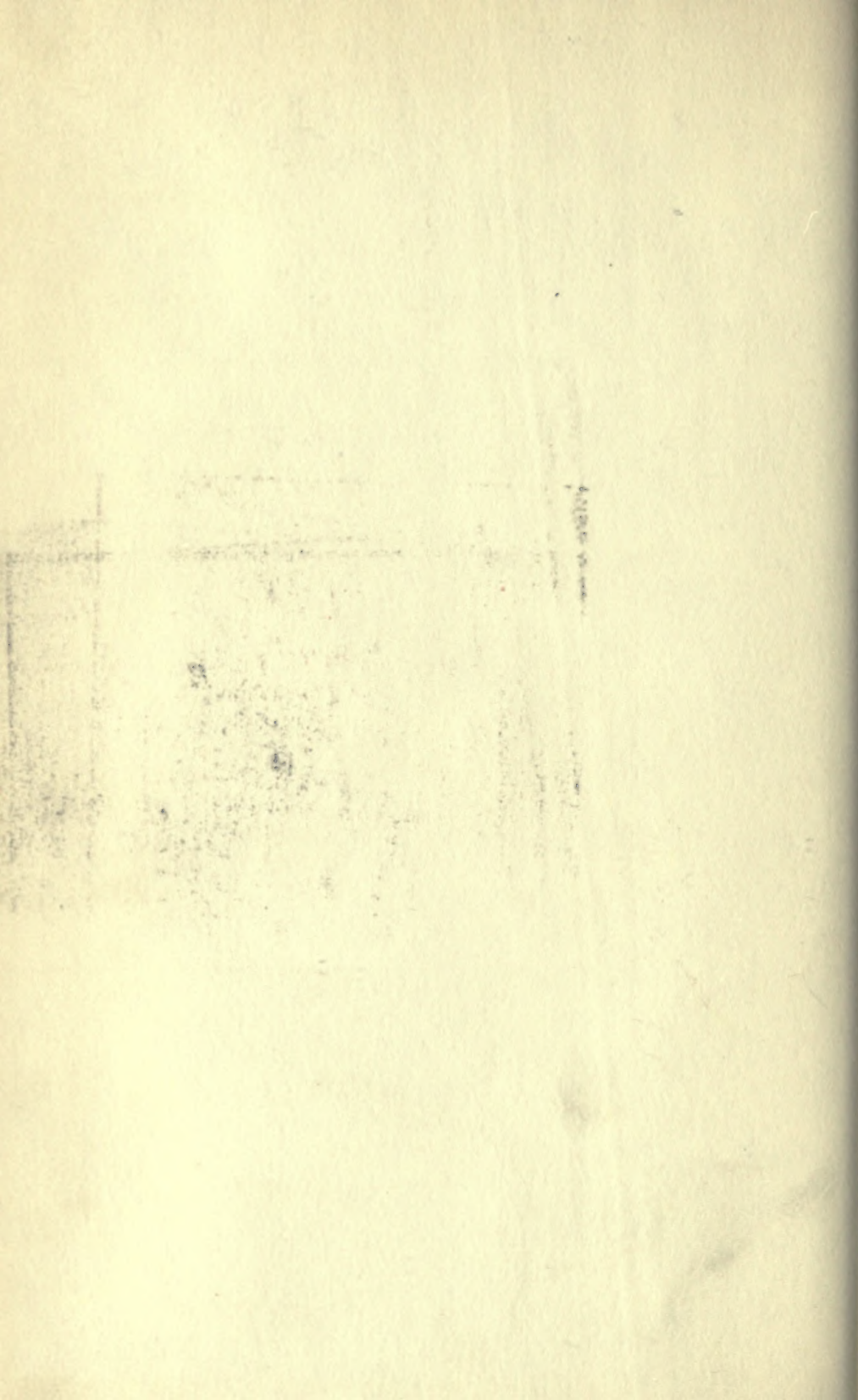
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