

U. S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION
Washington

INACTIVE

36 CENT MINIMUM FOR RAILROADS OPPOSED AT HEARING

Opposition to the recommended 36 cents-an-hour minimum wage for trunk line railroads developed today at a hearing before Henry T. Hunt, Principal Hearings Examiner of the Wage and Hour Division, U. S. Department of Labor, at the New Willard Hotel, Washington, D. C.

Despite the fact that the 36 cent minimum was voted for by all the representatives of management on the Railroad Carrier Industry Committee, two of America's largest railway systems indicated that they would oppose the recommended rate, and a third entered its opposition through a subsidiary.

Several smaller trunk lines filed appearances in opposition to the 36 cent recommendation, and a number of shortlines (lines whose gross annual operating income is less than \$1,000,000) filed appearances in opposition to the recommendation of a 33 cent minimum wage for this type of carrier.

The 36 cent minimum wage for trunk lines was recommended by a committee of twelve members equally representative of the public, the employees and the employers of the industry, under the chairmanship of Frank P. Graham, President of the University of North Carolina. It is estimated that the recommendation, if approved by Col. Philip B. Fleming, Administrator of the Wage and Hour Division, would increase the hourly wage rate of 60,000 of the 1,000,000 employees of the trunk lines, largely maintenance-of-way employees in the South and West, and 5,300 of the total of 60,000 employed by shortlines.

The Missouri Pacific Railroad Company which controls the Great Northern Railway Co., entered opposition for both lines. The Union Pacific Railroad Company did not indicate its position in filing a notice of appearance but it was understood at the hearing that the railroad would oppose the recommendation.

The Texas and New Orleans Railway Company, a subsidiary of the Southern Pacific, filed in opposition stating that the minimum would cost the line \$415,063 according to the report of the committee. Counsel for the line stated "In view of its financial condition and operating revenue a substantial reduction in employment . . . would result." It termed the 36 cent minimum "unduly excessive." The Texas and Pacific Railway Co., through the same counsel, filed opposition on the same grounds, referring to the report of the committee which estimated the increased cost to the line at \$96,138.

The Chicago, Burlington & Quincy Railroad Company filed an appearance in support of the recommendation.

The Railway Express Agency, Inc., filed an appearance as "being neither for nor against" the recommendation but said that the Agency would seek to have the report of the committee amended with respect to statements relative to the Railway Express Agency. The report of the committee stated "The total number (of employees paid less than 36 cents amounted to 762 and this represented 1.84 per cent of all . . . on the payroll. A 36 cent minimum for these employees would result in added compensation on an annual basis amounting to approximately \$34,686."

Counsel for the Missouri & Arkansas Railway Company filed in opposition stating "We believe and assert that the establishment of a 36 cent minimum wage per hour will jeopardize operations by this carrier."

The Association of American Railroads representing all Class One railroads except those separately appearing at the hearing and the Norfolk & Southern Railroad Company, Peoria & Pekin Union Railway Company and the Virginian Railway Company filed an appearance in support of the recommendation. The American Shortline Railroad Association also filed in support of the recommendation.

Railroad labor was represented by Frank L. Mulholland as counsel. The labor members of the committee voted in opposition to a 36 cent minimum as being too low and filed a minority report stating that the recommendation should have been 40 cents an hour. However, labor did not ask to have the recommendation set aside.

The Columbus (Miss.) & Greenville Railway Company in filing in opposition stated that its increased operating cost would be \$30,538.68 and the Georgia & Florida Railroad Company, also in opposition, stated that approval of the recommendation would "result in confiscation of its property in violation of the Fifth Amendment of the Constitution."

Appearing in opposition to the recommendation were the Amalgamated Association of Street, Electric Railway and Motor Coach Employees of America; the United Transport Service Employees of America; the Kansas City Southern Railway Company; the Louisiana & Arkansas Railway Company; the Texas Electric Railway Company; The Chicago North Shore & Milwaukee Railway Company; the Chicago Aurora and Elgin Railway Company; and the Gulf Coast Lines, listed as including: New Orleans, Texas & Mexico Railway Company; Asherton and Gulf Railway Company; Asphalt Belt Railway Company; The Beaumont, Sour Lake & Western Railway Company; Houston and Brazos Valley Railway Company; New Iberia & Northern Railroad Company; The Orange & Northwestern Railroad Company; Rio Grande City Railway Company; The St. Louis, Brownsville and Mexico Railway Company; San Antonio Southern Railway Company; San Antonio, Uvalde & Gulf Railroad Company; San Benito and Rio Grande Valley Railway Company; Sugar Land Railway Company.

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