

“Enlightened Selfishness”: Santa Fe Railroad Policies for Peaceful Coexistence

*James H. Ducker**
Alaska Bureau of Land Management

In contrast to earlier studies of late 19th century labor management, a number of recent inquiries have found that some corporate leaders strove for something more than the most work at the least pay and that worker-capital relations were not marked by near constant warfare and worker impotence. This revised view of industrial development fits well the history of the Atchison, Topeka & Santa Fe Railroad until the beginning of this century when the workers were hit with inflation and the industry suffered new political and economic threats. Despite a lack of corporate papers dealing with employee relations, it is clear that this firm's 19th century leaders strove with some success to provide a groundwork for peaceful coexistence with their employees. This effort involved paternalism and accommodation to unionism. The Santa Fe practices, though not consciously formulated as an integral whole and certainly never enunciated as such, amounted to a policy resting on the perennial desire to secure a loyal and steadfast work force. A discipline program alone would not suffice. With thousands of employees laboring from Chicago to the Pacific, strict supervision was out of the question. Santa Fe leaders had to establish a basis for mutual respect and cooperation with their employees. Moreover, during the late 1880s and early 1890s, the need to right the company's shaky financial situation required that strikes be averted so as to gain a constant income.

Paternalism covered a wide range of practices. Company railroaders got discounts on tickets or free passes to transport themselves and their families on the road. Employees in southern New Mexico received free ice and firewood. The Atlantic & Pacific (A&P), a Santa Fe subsidiary which stretched west from Albuquerque, provided a burial plot for those of its workers who died with no known relatives; and by the 1890s the company regularly assisted in division picnics.

As frontier railroaders, some Santa Fe employees were sent to work in areas with little or no housing. Men who were forced to live in tents frequently decided that railroading was more attractive farther east. The company sought to remedy this

problem by supplying both temporary and permanent homes. In 1882 the majority of San Marcial, New Mexico, railroaders lived in company boxcars, and 300 employees and their families were lodged in cars in Raton, New Mexico. In the meantime the company's bridge and building crews were busy constructing more permanent wood-frame housing. Single men soon had rooms in a dormitory-like building, and families had small but adequate quarters in one-floor tenement buildings. Company housing continued to predominate in San Marcial until a flood virtually destroyed the town in 1929. It continued in several other towns at least into the 1890s.

Another sign of concern for the well-being of its employees was management's reaction to the death or injury of a worker on the job. The Santa Fe, like all corporations, took advantage of common-law defenses which made it extremely difficult for a worker or his heirs to recover damages for on-the-job accidents. Yet, despite these defenses, the Santa Fe made some generous settlements. These not only avoided costly court battles, but wooed public opinion and gave some assurance to long-time employees that the company would not abandon them if fate chose them next.

Men who, either through injury or old age, were unable to perform their regular tasks adequately commonly were provided with jobs they could handle. In 1888 switchman Friday Rickert lost his leg in an accident. Besides paying him \$3,500, the Santa Fe agreed to employ him for the rest of his life. John Black, a black employee who lost an arm in the Atchison freight house in 1874 subsequently held a flagman's position for 50 years. When men in rigorous jobs reached their sixties or seventies, the Santa Fe sometimes transferred them to easier posts such as watchman, gatekeeper, telephone operator, or reading-room attendant. While some injured men may have wondered whether anything could compensate for their loss, and many old-timers may have bridled at the loss of prestige and income involved in a demotion to a less demanding job, the company's paternalism went beyond any legal requirement.

The company recognized that injured or ill employees had a more immediate need for medical treatment than for economic compensation. Proper medical assistance and facilities were scarce in the West. In the 1870s the company paid some employees to care for others injured on the job. At least by the early 1880s the Santa Fe had company-appointed doctors in many towns along the line. In 1882 the subsidiary Atlantic & Pacific built a hospital in Albuquerque. The importance managers placed on this operation can be put in perspective when it is noted that in 1882 the A&P stretched only into the middle of the Arizona desert; it still had to lay over a 100 miles of track to reach its goal of striking the Pacific shore. Two years later Santa Fe Vice-President A. E. Touzalin announced the inception of a similar

hospital association for all Santa Fe employees. This association raised its operating budget from modest levies on the employees' paychecks. However, most of the hospitals were built and furnished by the Santa Fe on land donated by the company. In 1884 the first two hospitals were built, and by 1900 five other facilities were erected. The association contracted with public hospitals and local doctors to care for employees in towns without company facilities. Thus from 1884 on, all Santa Fe employees received doctors' care and medicine with all expenses picked up by the association.

Finally, 19th century Santa Fe paternalism attempted to uplift the minds and morals of employees through company and YMCA reading rooms. In referring to the reading rooms, President Edward P. Ripley wrote in the late 1890s that management made "no pretense to unselfishness -- we aim only to practice enlightened selfishness; we want better men, and we are willing to spend money to make them better." Designed as alternatives to the omnipresent saloon, Santa Fe reading rooms originated in the early 1880s, and by 1888 there were 21 such establishments. Also beginning in the early 1880s, the Santa Fe supported railroad YMCA centers in Kansas City and Topeka and near the end of the century increased its collaboration with the Y. Both company and YMCA reading rooms furnished libraries, current newspapers and journals, cards, dominoes, checkers, and a pool table. They also sponsored lectures, and the Ys held socials, bible studies, and prayer meetings.

Such company paternalism seemed to accomplish its purpose of winning support from the men. The persistence of Santa Fe housing, in some towns for nearly half a century, and the total absence of any voice of complaint suggests that workers found it both adequate and fair. The workers petitioned for the hospitals, and union journals lavished praise on them; the *Railroad Trainmen's Journal* proclaiming that the Santa Fe's was "everywhere acknowledged as the best hospital system of any railroad in the United States." The reading rooms, too, were successful. Employees protested when hard times forced management to close the rooms. When speaking of the greater temperance and improving morals of railroaders, a Kansas fireman proclaimed that "the railroad reading rooms have been a blessing to us all."

Santa Fe management also strove to build up a storehouse of good will by generally moderate, and occasionally generous, cooperation with its employees and the brotherhoods. Relations with unionized men included incidents of friction and strikes. However, in the give-and-take between company and worker, the Santa Fe gave more in terms of respect, cordiality, and concessions than the sheer power of the unions dictated.

The workers did not have to fight for each of what today are considered their basic rights. Topeka managers tried to prevent

lower officers from alienating the workforce through arbitrary decisions involving favoritism in promotion and discipline matters. Given adequate ability, even those workers not under union contract could count on gaining wage increases and higher rank roughly in the order of their seniority. The Santa Fe also allowed workers to appeal grievances, including discipline cases, to top company officers. In most instances Topeka leaders backed local managers, but some decisions were reversed, especially those involving long-time company employees. In the last years of the century, the Santa Fe adopted the Brown discipline system for all its laborers. This system of merits and demerits was more lenient, more uniform, more just, and probably more effective than the older method involving fines, demotions, suspensions, and dismissals. Santa Fe employees, at any rate, expressed themselves as favorably inclined toward it.

The company seemed at times actively to encourage unions. In a period of some 20 years, there were nearly two dozen labor organizations represented among Santa Fe employees. Even though most of these were too weak to put up a fight, the Santa Fe took action against only one of them. It granted James DeWitt a free pass to travel to Topeka in 1876 to organize the first engineers' lodge on the Santa Fe. Company officers made it a practice to attend the brotherhood lodges' annual balls. The railroad commonly provided transportation to such events, and one trainmaster and his wife were reported to have helped with switching so as many yardmen as possible could attend a union ball. Some union members, including strike leaders, rose to high office in the company. In summing up union experience with the Santa Fe, the *Switchmen's Journal* in 1893 stated that "the company did not in any way interfere with the organizations of men employing spies or resorting to other disreputable methods such as are in use by a great many other corporations."

The Santa Fe established a record of reaching accords with railroad brotherhoods before most other roads recognized the unions. The Topeka management signed a contract with its engineers in early 1877, two years after the Brotherhood of Locomotive Engineers' first accord. Similarly, the company signed with the trainmen three years after the Brotherhood of Railroad Trainmen's first contract. And in 1891 and 1892 the Santa Fe was the first road in the nation to join in contracts with the unions representing telegraphers, machinists, blacksmiths, boilermakers, and carmen. This policy of acquiescence was rooted in corporate weakness. It was difficult to recruit and retain top-notch workers because of the rugged and desolate environment the Santa Fe traversed. As a result, the company was in no position to either dispense with or ignore its union employees. More important, the Santa Fe's precarious finances during the late 1880s and early 1890s, when the national economy prospered, put

the company in a weak bargaining position. The workers were emboldened by a steady income and the ready demand for their labor on other lines. Conversely, management realized that it needed an uninterrupted share in traffic to meet enormous, fixed debt obligations. Not surprisingly, then, eight of the Santa Fe's thirteen 19th century contracts were drawn up between 1888 and early 1893.

For a union to have a contract with the company, however, was not the same as having made significant gains. The Santa Fe proved to take parts of their signed agreements rather lightly. Most of the shopmen's accord became a dead letter. The company also ignored portions of their agreements with the enginemen and trainmen when they stood in the way of more efficient operations.

Still, the Santa Fe did yield some real benefits, most significantly in the areas of seniority, discipline, and wages. The trainmen and enginemen brotherhoods were extremely successful in making seniority an inviolable principle, and by the 1890s they had complete control over who received the rights to which runs.

Unions also formalized and expanded the appeal process in discipline cases. The first contracts usually only guaranteed that workers who felt local bosses were punishing them improperly could appeal to specific superiors. They also set a timetable for a decision to be reached. By the early 1890s the enginemen and trainmen gained the right to have their cases heard by a board of one of their peers and two top division managers before they could be suspended or discharged; and after this they still retained the right of appeal. These processes proved not to be rubber stamps for local bosses' decisions. There were numerous cases of decisions favorable to employees.

Finally, a comparison of payrolls from 1874, the precontract era, and 1895, by which time all the important 19th century contracts had been reached, finds that union employees were favored over the intervening two decades. Few if any working groups suffered a loss in real income. However, in this deflationary period most lost in money wages. The line between wage losers and those who earned larger paychecks ran squarely between the weakly unionized or nonunionized and those classes of employees who had negotiated written contracts. Every group whose pay increased -- enginemen, trainmen, yardmen, and operators and dispatchers -- had contracts with the company which included wage schedules. Among those whose earnings had dropped by 1895, only the newly unionized carmen had a contract with pay provisos. The unions were important, not only in winning higher wages, but in causing the company to hesitate in reducing pay levels. In the depression of the 1870s the enginemen alone were unionized so their paychecks were the last to be reduced. And in early 1888 the *Railway Gazette* credited union power when the Santa Fe, facing a serious fiscal crisis, excluded the enginemen from a general 10 percent wage cut.

Even Santa Fe officials of the day would not want it to be said that they acted toward their employees out of the goodness of their hearts. Ripley's statement on "enlightened selfishness" might well be taken as a keynote to both the firm's paternalism and its general relations with its workers and unions. Housing and other necessities had to be provided by the company simply to get and maintain men in the rugged areas the Santa Fe served. Employees could feel more comfortable continuing in their jobs when they were assured that free hospital facilities were available and that the company made provisions for retaining men who were injured or grew old in its service. And corporate assistance in improving workers' off-the-job lives not only could give the company more educated and moral workers; it also might instill in employees an attitude of moderation and accommodation in their posture toward management.

Similarly, a look at the history of the Santa Fe contracts reveals Topeka officials' basic desire to maintain a steady and productive work force. In times of union strength, management yielded concessions to avert or end strikes. At all times the Santa Fe had to maintain a wage level at least comparable with that of neighboring lines. The company might ignore those contract provisions which hindered the expeditious movement of traffic or were backed by relatively weak unions. However, because violations of wage levels were by their nature general and affected all workers, while violations of other contract provisions had a more scattered and less simultaneous impact, union insistence and corporate acquiescence in maintaining wage levels were more marked. The need for dependable employees also made management cognizant of the necessity to restrain the arbitrary power of local officials. Divisional officers may have had a personal stake in promoting certain favored individuals over others or in exercising greater leniency in punishing some men in relation to others; but top company officers who answered first to stockholders cared little who did the work so long as it got done and the workers were content and consistent at their tasks. Therefore, Santa Fe general officers most regularly conceded and uncomplainingly maintained and enforced seniority and discipline provisions of worker contracts. Even nonunionized workers could count on some seniority privileges and could appeal grievances to higher officers. Significantly, in conceding these issues and allowing workers to appeal violations of them to the company's head officials, the top management relinquished none of its own prerogatives. Indeed, the general officers could use the unions' vigilance to help centralize oversight of seniority and discipline matters in their own hands.

That the workers found value in the corporation's paternalism and union policies, their own words attest. Whether the Santa Fe's actions also led to more tangible results is more difficult to determine. Only a small portion of the drop in

turnover which coincided with the growth of unions and paternalism on the Santa Fe can be attributed to management's actions toward peaceful coexistence, and the influence of these policies on lessening conflict can only be determined by a careful comparative study involving railroads which were not as generous towards their workers.

While the Santa Fe was exceptionally accommodating toward its employees, many lines fostered paternalistic programs. Railroad leaders were far from blind adherents of Social Darwinist prescriptions for labor-management relations. Weakness and self-interest, if not compassion, led to policies designed to bridge the gap of animosity and distrust which lay between workers and employers.

NOTE

*Sources for this paper may be obtained from Dr. Ducker at the Bureau of Land Management, Anchorage, Alaska.