the full realization that good times would not be returning any time soon, the B&O set about making the best of its depressed situation. Its pivotal need was for more traffic; its solution was the Cooperative Traffic Program, or CTP. An employee traffic solicitation program and more, the CTP was both a product of the B&O culture and a reinforcer of it. The CTP was the response of B&O family members to clear evidence that their company was in trouble, and it served both to remind employees of what the company stood for and to stimulate them to go out and convince others of the B&O's virtues. It was the dominant personnel-centered program of the now-aging Daniel Willard's declining years.

The chapter opens with an overview of the impact of the Depression on the railroad industry and of the consequent need for intensive traffic solicitation; a description of the B&O's pre-CTP efforts in this realm follows. Then the development of the CTP is described and discussed in some detail: its organization, its meetings and results in both nascent and mature stages, its participation rates, and its impact (or lack thereof) upon the rest of the industry. An account is given of the continuing decline of the Cooperative Plan, and observations on Daniel Willard nearing the end of his career are offered. The chapter ends with an assessment of the CTP's results, both tangible and intangible, and of its significance.

At the end of 1933, the American economy, like that of the rest of the world, was a sputtering wreck in comparison to what it had been four years previously. Industrial production had bottomed out at 59 percent of the 1923–
1925 average during March of that year. A recovery that began in April lasted only until midsummer; by fall, production was seriously slipping again. Optimism that prosperity was just around the corner was slipping as well. The AFL estimated that 25 percent of the unionized labor force, or some 13.7 million people, were unemployed.¹

Less was being produced, so less was being shipped, and few people could afford much travel. The railroad industry, then as always, was hit harder than most other industries by economic slowdown. Railway operating revenues of the eastern district railroads in 1933 were only 50 percent of their 1923–1925 average and only 49 percent of their 1929 level. Freight and passenger cars sat empty and idle in yards and storage tracks. Long strings of locomotives, “white-leaded” to prevent rust, sat in dead lines outside their shops. Trains were shorter and less frequent; the industry’s enormous track capacity was grossly underutilized. Half of the nation’s railroad workers scrambled for lesser jobs elsewhere or sat at home. Many roads tottered on the brink of bankruptcy; some went over it.²

How did Willard and the B&O cope with this bleak environment? First, as already detailed, they cut costs—slowly at first, but eventually much as everyone else did. Hours were shortened, shifts and crews were cut, wages and salaries were lowered, capital expenditures were deferred, and the magazine was suspended. Second, as a positive complement to all of these negative measures, they developed the Cooperative Traffic Program.³ An amalgam of elements of welfare work, the Cooperative Plan, and prior traffic solicitation campaigns, the Cooperative Traffic Program was an attempt to involve employees in boosting revenues: to work on the top line of the income statement, not just the cost lines below. As an innovation, it was not in a class with the Cooperative Plan. However, it served the company’s greatest need at the time, and it became the B&O’s highest-profile personnel-related management program for the balance of the decade.⁴

All railroads needed such a program, but the B&O needed it more than most. The reason for the B&O’s greater need was not greater-than-average revenue decline. Its railway operating revenues had bottomed out in 1932; they were up slightly in 1933, to 53.7 percent of their 1929 level, nearly 5 percent better than the eastern district industry average. The reason for the B&O’s greater need was its decades-old albatross: debt. Although a sales decline of almost 50 percent would pose severe problems for almost any company, those problems can be overcome to the extent that costs can be quickly reduced proportionately. The difficulty with debt is that for most companies, the B&O certainly included, it cannot be so reduced. Hence, for a company as highly leveraged as was the B&O, such a precipitous sales drop was potentially disastrous.
How bad was the B&O’s debt situation? The total-debt-to-equity ratio of the Baltimore & Ohio at the close of 1933 was 2.51; the corresponding number for the Pennsylvania was 0.84, and that of eastern district Class I line-haul steam railroads as a group (in which the B&O was included) was 1.02. The B&O, then, was trying to cope with the loss of nearly half of its business with a debt burden two and a half times the regional railroad industry average and three times that of its principal competitor. In relative terms its interest charges were enormous. Despite layoffs, a penny-pinching purchasing policy, and the slight upturn in traffic, the B&O’s 1933 net income was $204,772, a negligible 0.06 percent return on equity; interest and other fixed charges consumed $34.8 million of what was under the circumstances a respectable $35 million gross income. Further cost cutting could not reduce those fixed charges ($32.6 million of which were interest payments), and the company certainly was in no position to retire any of its debt.3

There really was only one practical course of action to pull the railroad out of its solvency-threatening situation: the rebuilding of a larger sales base over which to spread its fixed charges. The B&O needed a revenue increase fairly desperately; it could not afford simply to wait out the Depression, to wait for traffic levels to recover on their own. It needed to act aggressively to capture traffic that was already moving by other carriers. It needed to increase its market share, and it needed to do so without spending much money. Selective price cutting, the normal response of a firm facing falling sales in a deflationary economy, was inhibited by the complexity and ponderousness of railroad rate-making machinery. All rate changes were subject to ICC investigation and approval, and railroads generally maintained a united front through their regional rate bureaus when arguing for an adjustment before the commission. A road that broke away from the position of its rate bureau invited retaliation, in the form of diversion of connecting traffic by other member roads. For all practical purposes, then, price competition was out.

The firm that cannot compete on the basis of price most often relies on the alternative of product differentiation: convincing the prospective customer that the company’s products or services are qualitatively superior to those of the competitor. Normally this is done through advertising. The B&O, though, had eliminated most professional advertising and promotion for the sake of cost reduction. That left only word-of-mouth advertising, which, being free, is usually the best kind anyway. The obvious word-of-mouth channel was the company’s work force, the employees who actually provided the services to be sold.

There was nothing radical about this reasoning. Several railroads, the B&O prominent among them, had been at least sporadically encouraging informal employee traffic solicitation efforts for years. The Pequot Mills adapta-
The Cooperative Traffic Program explicitly included promotion of the company's products among the responsibilities of the union and its members. With the onset of the Depression, other railroads began to try more actively to encourage such efforts. Most programs, though, were limited in scope, and some were dependent upon the use of tangible incentives. The Delaware, Lackawanna & Western, for example, offered all of its employees other than officers a cash bonus (from one dollar to five dollars) for booking individuals or groups on Lackawanna package tours. The traffic tip campaign of the Chicago, Burlington, & Quincy promised employees a variety of prizes (such as playing cards, automatic pencils, and engraved gold pocket knives) for successful traffic solicitation, the value of the prize being tied to the value of the traffic secured. Somewhat broader in scope and more dependent upon employee loyalty were the Railroad Family Clubs formed by the Southern Pacific (SP) at several major points on its system, most successfully at company headquarters in San Francisco, to which both employees and local shippers were invited to hear various speakers describe the advantages of rail transportation. Local merchants patronized by railroad employees were to be encouraged by those employees, led by the clubs, to reciprocate and to patronize the railroad. To reinforce the process, the SP placed advertisements in local newspapers, listing and endorsing those merchants who shipped or received goods by rail. A somewhat narrower reciprocity campaign was undertaken by the Missouri-Kansas-Texas Lines: MKT employees were issued gummed labels printed with the company logo and a message asking for the recipient's shipping and travel business, to be attached to personal checks written by the employee. Perhaps the most thorough and intensive program was the employee club network of the St. Louis–San Francisco. The clubs, located at sixty-four major points around the system, were credited during 1931 with having secured for Frisco Lines 6,896 carloads of freight, 9,823 less-than-carload freight shipments, and 3,003 passengers.

Employee loyalty, cultivated by Daniel Willard for more than twenty years, surely was at least as strong on the B&O as it was on those other lines; mustering B&O employees into a major campaign to solicit traffic was undoubtedly feasible. Modest efforts in this direction had been exerted since before World War I. Moreover, there existed already a model of how a major campaign might be handled organizationally: the Cooperative Plan representative committee structure. It had been a highly effective means of gaining general employee involvement in improving maintenance and operations efficiency; a logical inference was that a similar committee structure might succeed in gaining general employee involvement in improving sales and marketing effectiveness.

It is not clear who first made the suggestion explicitly. The new program's
first traveling “special representative” attributed the idea to Willard himself. Willard said that the idea had been brought up in the fall of 1933 at a headquarters staff meeting by “someone,” and a company pamphlet issued more than a decade after Willard’s death traced the idea to a Cooperative Plan shops committee meeting. Whatever its origin, the concept was a natural one, and it was quickly pursued. By the end of 1933, the idea was being developed into an organization, with local committees, a staff, and a name: the Cooperative Traffic Program.7

The notion of involving employees outside the traffic department in sales efforts had been used with some small success on the B&O for nearly twenty years before the commencement of the Cooperative Traffic Program. The first notable attempt in this direction apparently began spontaneously early in 1915 at Connellsville, Pennsylvania, where the local freight agent and three enginemen formed a committee, later joined by the division superintendent and master mechanic, to serve as a business-generating and service-improving liaison between the railroad and the local merchants’ association. Shortly thereafter, growing out of a luncheon discussion between Willard and division freight agent W. R. Askew, a more comprehensive but less personal campaign began in Baltimore. No employee committee was organized, but a handout sheet was prepared to be distributed by all Baltimore-area B&O employees to their friends and associates.8

Both of these efforts were strictly local, although employees in other locales were encouraged to emulate them; for a short time in 1916, a business prospect postcard was inserted into the company magazine. It was not until after World War I that a true systemwide campaign was undertaken. This time Willard assumed a more direct and public role than he had in the prior cases. The occasion for commencing the campaign was a meeting of the B&O Veterans’ Association in Baltimore on November 13, 1920. The postwar recession had begun in earnest, and B&O carloadings were slipping rapidly. Willard arranged to speak at the veterans’ meeting; his subject was the traffic loss and what the veterans might do to stem it. Essentially, he appealed to all members of the association to use their personal contacts to boost the company’s market share. He placed particular emphasis upon the opportunities that might present themselves to operating personnel who had contact with freight customers, such as local freight train conductors; he urged them especially to approach and to try to regain former customers whose shipments, often of high-rated merchandise, had been directed to other carriers during wartime federal control of the railroads. He also reminded his audience of the importance of courteous and efficient service in creating favorable word-of-mouth advertising and in ensuring repeat business.9
The cause immediately was taken up by Robert Van Sant and Baltimore & Ohio Magazine. In January 1921 Van Sant sent a letter to the presidents of all Veterans' Association chapters, reminding them of Willard's appeal and urging them to lead their groups to answer it with action. In the February and March issues of the magazine, prominent display was given to the sales successes of veterans on the Connellsville and Chicago divisions. Meanwhile, the traffic department had printed and had distributed through the association ten thousand traffic solicitation postcards, carrying a request for the shipper's patronage, lines for the names and addresses of the shipper and the veteran who handed out the card, and space for a reply by the shipper as to whether he had favored the B&O with new business. In April the company began collecting and tabulating these cards in order both to evaluate the success of the program and to give credit to those employees who had secured traffic from the competition.
Also in April, the decision was made to extend the campaign beyond the veterans’ groups to all B&O employees and to increase its intensity. A series of major rallies was planned, covering nineteen of the most important points on the B&O in eighteen days. The local Veterans’ Association chapters were to host the events, but all B&O employees and their families were invited. All local officers, of all departments, were expected to attend. Appropriately large halls were hired, and entertainment was booked. A traveling team of speakers, consisting of commercial development manager H. O. Hartzell, welfare department chief W. W. Wood, and Veterans’ grand president George Sturmer, was formed.11

The level of enthusiasm generated by the rallies varied from location to location. When the series was over, mixed results were apparent: attendance ranged from a very impressive 1,000 at Chillicothe, Ohio, down to a dismal 50 at Philadelphia. Overall, the average attendance of 260 was deemed sufficiently encouraging to continue a high-profile campaign. The company magazine began publishing the names of employees who had successfully solicited new customers, along with a description of the traffic that they had secured; notable individual, departmental, or divisional efforts continued to be featured in front-of-the-magazine articles.12

Despite all the attention given it, the campaign was only a marginal success. Through August 13, 1921, nine months after Willard’s appeal, approximately 1,700 carloads of new freight traffic had been credited to employee efforts—just under 200 carloads per month. The list of returned solicitation cards published in the August issue of Baltimore & Ohio Magazine, covering the four weeks ending July 30, revealed that the 164 carloads reported for the period had been secured by a mere thirteen people. Many of the same names appeared on the list month after month; the Connellsville duo of P. J. Harrigan and James Wardly, who jointly brought in over a quarter of the July carloads, had entered regular and major contributions into the record from the beginning. Passenger statistics, which were recorded beginning in May, were no more impressive. For the four weeks ending August 1, an inconsequential forty-nine “new” passengers were enticed aboard the B&O by a total of eight employees, one of whom was Baltimore export clerk F. W. Melis, like Harrigan and Wardly a regular contributor of large numbers of freight carloads. For all of 1921, less than 0.5 percent of all B&O employees made credited contributions to the campaign.13 The net income generated by the new business, some of which would have moved via B&O anyway, probably did not do much more than cover the costs of the kickoff rallies.

Still, the campaign was the sort of activity that meshed well with Willard’s desire to build employee loyalty and communitarian spirit across the railroad. Consequently, the idea never really disappeared. Throughout the 1920s, espe-
cially whenever traffic levels began to decline, B&O employees were asked to seek out more business. *Baltimore & Ohio Magazine*’s business prospect postcard insert was reinstituted as traffic turned downward in the second half of 1923; the magazine’s listing of the names and credited traffic of “business-getting employees” resumed at the beginning of 1924, was dropped for a time, and resumed again as another recession began at the end of 1926. Local public relations committees, 158 of which were set up across the system in 1924, provided indirect aid and encouragement. Then as the Cooperative Plan gained momentum, union locals began campaigning for B&O patronage, some quite aggressively.13 Such urging had its effect; B&O employees over the decade gradually became more involved in traffic solicitation. The securing of additional passenger business increased much more substantially than did that of freight—not surprisingly, given that the average employee was much more likely to know someone planning to take a trip than someone planning to ship a carload of merchandise. The record of returned prospect cards for July 1928, typical of those of the late 1920s, shows 325 passengers se-
cured by 112 employees; freight entries show approximately 120 carloads, 9 carload routing orders, 3 less-than-carload (LCL) routing orders, and 8 LCL shipments secured by 38 employees.15

The prospect card program continued into 1932, when publication of the magazine was suspended, hampering distribution of cards and eliminating the principal means of publicity. During the last months that the program was in full operation, credited traffic was lower than it had been before the start of the Depression, but it had not fallen so far proportionately as had B&O traffic in general. The April 1932 list shows approximately 300 passengers secured by 110 B&O employees, with another 27 having secured 89 carloads and at least 14 LCL shipments of freight, plus 5 unclassified freight shipments; a total of 14 employees of the newly acquired and separately operated Alton Railroad secured 16 passengers and 41 freight carloads.16 As with the results of the 1921 campaign, the dollar value of traffic diverted from competitors was hardly noticeable in relation to the company's total revenues. The tangible impact of any one month, or even any one year, of employee traffic solicitation efforts probably was not worth the bother. The cumulative effect, however, of twelve years of reminding employees of the role that they could play in determining the volume of business that their company received—the long-term intangible impact—probably was worthwhile. The postcard program, and its predecessors, served as one more means of making Willard's point that the B&O family would prosper only if its members did more than their minimum assigned duties. This now-familiar point, along with the similar message and essential organizational structure of the Cooperative Plan, served as the foundation upon which the Cooperative Traffic Program could be built.

Responsibility for development of the CTP, as the program quickly became known as, was given to O. S. Lewis, since 1930 the railroad's general freight traffic manager. Lewis and his superiors determined at the outset that unlike preceding traffic solicitation programs, the CTP would have full-time staff. Initially, Lewis himself devoted nearly his full attention to organizing the CTP. His first major decision was the appointment, on December 1, 1933, of a true full-time CTP staff member: C. N. Fullerton was named "special representative" of the traffic department, with duties first as an adviser to Lewis and a liaison with the mechanical department cooperative committees, then as a traveling CTP booster, helping local CTP committees to organize themselves.

Fullerton, who as a union officer had helped to end the machinists' boycott of the Cumberland Back Shop cooperative committee in 1925, was an excellent choice for the job. He was energetic, outgoing, and widely experienced, and possessed high credibility with the rank and file. He had served as
The Cooperative Traffic Program president of System Federation No. 30 from 1918 to 1920, and as general chairman of the machinists' union on the B&O from 1920 to 1926. In 1926 he left the B&O for a coordinator's position in the machinist apprenticeship program of the Railway Educational Bureau in Omaha; when that program was discontinued in February 1933, he returned to his old job as a machinist at the B&O shops in Washington, Indiana, where he had begun his career in 1903. From there he was promoted to the new CTP position.

The first local CTP committee met on December 5, 1933, at the B&O's venerable Queen City Hotel and station complex in Cumberland; in rapid succession, CTP committees were formed and met at all points around the system large enough to be able to muster a group of interested employees. By the end of December, plans had been laid for the organization of 185 committees, 162 on the B&O and 23 on the Alton; 95 of those committees had met and had elected chairmen. The smaller points of activity on the railroad usually had only one committee. Larger points generally had proportionately larger numbers of committees, formed around particular departments or facilities; initially, there were 6 committees in Cumberland, 10 in Cincinnati, and 34 in Baltimore. At locations with large numbers of both female and male employees, separate women's committees were set up, 12 on the B&O and 5 on the Alton at the end of December.

A great deal was accomplished in a short time, and the initial success of the program was quite encouraging. During its first month, 1,007 freight carloads, 634 LCL shipments, and 439 passengers were credited to the CTP, plus 225 carload routing orders, 21 LCL routing orders, 180 miscellaneous reports and tips, and 52 traffic-related suggestions. Some 444 employees contributed to at least one of those statistics. The increased success in all categories, in comparison to the old prospect card program, was appreciable. The monthly CTP Bulletin, in which were published the names and contributions of individual CTP participants grouped by respective committee, grew rapidly in size in subsequent months. As additional committees were organized, increasing numbers of employees went out to solicit new business. January results were almost double those of December: 1,934 carloads, 710 LCL shipments, and 821 passengers, plus various tips and suggestions, credited to 838 employees. February results were off somewhat, but those of March were up again in all categories except full carloadings: 1,650 carloads, 1,303 LCL shipments, and 1,124 passengers, plus tips and suggestions, from 1,025 employees.

In April 1934 the growing number of women's committees was organized into a women's division. Under the leadership first of Margaret Talbott Stevens and then of Olive Dennis, the women's committees had expanded their membership to include not only the B&O's women employees, but also the wives of B&O men, and in so doing had become a considerable presence. With the
establishment of the separate division, Dennis passed her CTP responsibilities to a new full-time CTP staff member, Helen Foreman. Foreman, formerly a clerk in the car service department, served as the counterpart to C. N. Fullerton, spending most of her time on the road speaking and helping to organize committee activities.  

The organization of the local committees was generally open and unstructured. Sometimes a group would gather spontaneously and elect its own officers, without help from elsewhere in the company. In other instances an individual would step forward—or be asked to step forward by his or her superior officer, or by Fullerton or Foreman—to advertise and convene a first meeting; in those cases, the first committee officer elected usually was the convener as chairman. Membership in the program was automatic for all B&O and Alton employees and their families. Local committee membership often was not much more restrictive: at some locations, as a matter of practice if not of intent, anyone who showed up at a business meeting was a member of the committee. The company generally kept an eye on committee leadership, for the sake of maintaining basic unity of purpose and reasonable efficiency, but the program was designed to be inclusive, not exclusive.  

To help ensure that the local committee chairmen were both purposeful and enthusiastic, a meeting of eastern region chairmen was held in Baltimore on May 14. Eastern region CTP supervisor H. O. Hartzell presided; more than one hundred attended. The meeting gave the program's field leadership an opportunity to exchange ideas, to make suggestions, to receive information from top management, and to exhort and to be exhorted to greater efforts. Discussion was neither narrowly confined nor tightly controlled from the top; during the afternoon session in particular, Hartzell was more the recipient of advice than the dispenser of it. Over half of the employees present brought problems or missed opportunities from their home offices or territories to his attention. The transcript of the meeting indicates that the group generally displayed the same wide-ranging concern for company success characteristic of the original Cooperative Plan committees. Particular matters of employee concern included the excessive centralization of decision-making authority, an insufficient number of passenger trains on certain key routes, the absence of freight pickup and delivery service for customers without their own sidings, dirty stations, early freight station closing hours, inattentive coach porters, and lack of consistent traffic department acknowledgment of all tips on customer prospects from nontraffic employees. In the course of the discussion, Hartzell promised that management would follow up immediately on all of the concerns expressed, although the feasibility of some recommendations from the group, such as adding more passenger trains in the face of a huge decline in business, he questioned on the spot.
Unfortunately, it appears that no similar meetings were held in the western regions. Nonetheless, by the summer of 1934, *Baltimore & Ohio Magazine* could state accurately "The Cooperative Traffic Program is now well past the preparatory stage and moving ahead all along the line." CTP credited traffic continued to grow in all categories, and so did the employee participation rate. In July, for example, the names of 1,429 people appeared in the CTP Bulletin, along with their contributions. This was only 3 percent of the 42,000 B&O and 5,200 Alton employees at the time, but for a single month it was fairly impressive; even allowing for the fact that the most active employees secured traffic nearly every month, it is likely that well over 3 percent of the work force made some sort of a contribution during the year. The impact of these contributions on company revenues was of some significance. At a mass CTP meeting in Baltimore in February 1935, Willard stated that CTP credited carload, LCL, and passenger traffic for 1934 had brought in $1.4 million; when routing orders and other promises of business were added in, the total was estimated to be roughly $2 million. That was 1.4 percent of the B&O's 1934 revenue; Willard pronounced it "a splendid showing."

Certainly the people responsible for the program could point to its concrete successes, however small in relative terms. However, as with Willard's other personnel-centered programs, the purpose of the CTP extended beyond direct, tangible traffic solicitation. The original Cooperative Plan was designed to have as its most fundamental objective the long-term development of mutual commitment between labor and management; the same was essentially true of the Cooperative Traffic Program. Early in 1934 Fullerton had stated that the immediate goals of the CTP were (1) to secure more business, so that the B&O could (2) provide greater job security for employees still working and (3) recall those employees who had been furloughed. It was understood, however, that broader objectives were being served at the same time. Familiar terms such as teamwork, family, and goodwill appeared frequently in formal statements presented at local CTP meetings. In December 1934 Lewis stated in an open letter prominently printed in that month's company magazine that an ultimate objective of the CTP was the increase of "good-will both on the part of the public towards the Company and good-will among ourselves." Willard made the point more explicitly at the Baltimore CTP rally mentioned earlier: "The dollars and cents result has been most helpful. But more important than that is the finer community of interest that has been established on our road, the clearer understanding of our common problems, the better teamwork, and the increased spirit of friendliness that has been developed in our own railroad family, and between the people we serve and ourselves."  

Unlike the Cooperative Plan, the CTP sought to achieve such objectives without the formal, active support of its unions. If the union role had been
decided on the first impulse of Bert Jewell, that would not have been the case. At the system Cooperative Plan meeting in January 1930, William McGee and George Emerson had decided to establish a joint labor-management committee to investigate procedures for securing more business for the B&O. McGee apprised Jewell of their action, and Jewell responded enthusiastically with suggestions as to how they might proceed. Jewell’s main recommendation was that a central committee and a network of district committees be formed to organize a canvass of every shipper and citizen in Baltimore & Ohio territory, urging them to pledge all of their business to the B&O. The canvass would be supported by arrangements for local union officers to speak before groups such as Chambers of Commerce and Rotary Clubs, pointing out the contributions made by the B&O to the community and urging community leaders to reciprocate. Jewell further proposed using *Labor* editor Edward Keating’s contacts at the Associated Press and United Press International to line up extensive and favorable wire service coverage of the campaign. For a national union leader to show such eager partiality toward a particular company was somewhat unusual; it was a measure, presumably, of the depth of Jewell’s concern about increased highway competition, of his appreciation of Daniel Willard, and of his antipathy toward the B&O’s union-busting rail competitor, the Pennsylvania.

Such a grand scheme, bearing the imprimatur of the AFL, never came to fruition. The precise reasons for this are not a part of the surviving record, but a reasonable assumption is that it ran afoul of the very factor that made Jewell’s suggestions unusual: the tendency of such favoritism to reduce union employment at the beneficiary company’s competitors. From the perspective of the shopcrafts unions, hurting the PRR was no problem, but the Pennsylvania was not the B&O’s only rail competitor. A major boost-the-B&O program might also hurt railroads such as the New York Central, the Erie, the Nickel Plate, and the Chesapeake & Ohio, where the AFL shopcrafts unions were well established. No doubt William McGee liked Jewell’s ideas; it is almost as certain that the system federation presidents on those other roads did not. Moreover, the independent train and engine crew brotherhoods, with whom the AFL at least perfunctorily proclaimed solidarity, were established on the Pennsylvania. Whether Jewell retracted his proposal in the face of pressure from his brethren, or simply thought better of it himself, the AFL did not adopt any high-profile role in the B&O’s traffic solicitation campaigns in 1930, in 1933, or beyond. All that Jewell was able to give Willard in this regard—not an insignificant gift—was his unions’ quiet cooperation and encouragement.

Such support notwithstanding, in comparison to the Cooperative Plan there was in the CTP a certain organizational vacuum where the unions might
have been. Filling that vacuum was largely the job of C. N. Fullerton, Helen Foreman, and, beginning in the summer of 1935, Dr. G. P. Grimsley. Grimsley, a B&O industrial geologist whose position was made largely unnecessary by the depression in heavy industrial activity, first assumed responsibility for the eastern region CTP during the illness of H. O. Hartzell late in June; gradually, his oversight duties were expanded to include speaking and organizational activities like those of Fullerton and Foreman. Eventually, a pattern evolved in which Grimsley worked primarily with committees on eastern lines while Fullerton generally worked the west, and Foreman handled the women's committees over the entire system. With minor variations this organizational arrangement, a three-person traveling staff supported by clerical help, provided the central leadership of the CTP for the remainder of its existence.37

As a natural result of the importance of the program's intangible objectives, from the very beginning there was a social as well as a business dimension to the CTP. Drawing upon the examples provided by earlier company gatherings such as the safety rallies and welfare department activities, major CTP meetings often were heavy on entertainment. A noteworthy example was the November 1934 meeting of the combined CTP committees of Newark, Ohio, a dinner program held at the Knights of Pythias Lodge and attended by 550 B&O employees and family members. Before the start of the business meeting, attendees "were entertained by a string orchestra, courtesy of McMichael's School of Music, and by an orchestra from Somerset, Ohio, led by Section Foreman D. M. May." They then were treated to a performance by the Grotto Male Chorus, singing "Hail, the Baltimore & Ohio," the company song written by Margaret Talbott Stevens and Walter Goodwin (composer of "That Wonderful Mother of Mine") for the Centenary Pageant in 1927. The business meeting itself consisted of brief remarks by Helen Foreman, the Cincinnati regional freight agent, and six local division officers, and a keynote address by C. N. Fullerton. Fullerton ended his speech with a reminder that "suggestions are always in order," and the evening concluded with another sing-through of "Hail, the Baltimore & Ohio."38

This format was typical of larger CTP meetings during the mid-1930s. The most noticeable variation was a function of the size of the local B&O employment base: larger B&O points tended to have more elaborate entertainment and higher-ranking principal speakers than smaller ones. Thus Baltimore meetings might feature the B&O Women's Music Club and Charles Galloway, whereas Huntington, West Virginia, might rate only a clarinet-playing tower operator and the local passenger agent. Attendance would vary as well, of course. Baltimore might draw nearly 1,000, and Huntington only 150. Another variation was the occasional joint event; at some points CTP gatherings
The company song: "Hail the Baltimore & Ohio." (Copyright 1927 by the B&O Railroad. Reprinted by permission of CSX Corporation)
were combined from time to time with those of other B&O groups. It was not unusual for large seasonal events such as Christmas parties and summer picnics to be held in conjunction with the local Veterans’ Association chapter, or with a group tied to the welfare department.

Such major events seldom took place at a given location more than three times per year; the rest of the CTP meetings, usually held monthly, were somewhat less social and considerably less well attended. At Clarksburg, West Virginia, the women’s committee rotated its meetings among the homes of its members; attendance was usually about two dozen. The typical meeting agenda called for a social hour and refreshments, followed by individual reports of business secured; at their November 1935 meeting it was reported that during October, nineteen of their members had secured fifty-one passenger trips worth a total of $514.91 to the company. The women’s committee of New Castle, Pennsylvania, handled its meetings in similar fashion. Their September 1935 meeting, attended by twenty-eight women, began with a spelling bee, followed by lunch and the business meeting; four of those present made traffic reports, amounting to eight passenger trips. Their meeting of the following month, attended by three members of the Warren, Ohio, women’s CTP as well as by the New Castle regulars, featured a skit, bingo, and refreshments before the business meeting; two of the local members reported securing a total of eleven passengers and one LCL shipment.

Regular committee meetings in the men’s division tended to be lighter on entertainment and heavier on speeches than were the women’s meetings. The meeting of the Staten Island men’s committees at the Livingston station on the evening of January 31, 1936 (unlike Cooperative Plan meetings, CTP meetings normally were not held on company time) consisted of eight speeches of varying length by various people, including Grimsley and the division freight agent. There was no entertainment, with the exception of whatever casual conversation occurred over the refreshments served after the speeches. At the men’s CTP meeting at Clarksburg in February 1936, speeches were delivered by the division freight claim prevention representative, the division captain of police, and the local station services supervisor. Although attendees were offered neither entertainment nor refreshments, ninety-one men showed up; three of them made traffic reports, totaling six passengers and seventeen freight tips. At the Baltimore Terminals men’s division meeting the next month, more than two hundred employees turned out in a heavy rainstorm to listen to addresses on current conditions and services by O. S. Lewis and four lesser traffic department officials. Entertainment was provided by a local orchestra and by a Dr. Gray, who did impersonations.

Throughout 1935 and 1936, those meetings and hundreds of others like them continued to have the desired effect upon both morale and traffic levels.
Annual CTP credited traffic slipped slightly but remained above $1 million, with tips and routing orders pushing the probable real total higher. The benefits of the program came at a reasonably low cost: the only CTP expenses charged to the company were the salaries and expenses of Grimsley, Foreman, and Fullerton; the costs of collecting data and publishing the CTP Bulletin; and the rental fees of large halls for major CTP rallies.32

Buoyed both by the CTP and by gradual improvement of the economy, B&O traffic continued its slow rise from the 1932 nadir. Total revenues increased 2.9 percent in 1934 and another 3.8 percent in 1935. Profits, however, did not keep pace. Largely because of a sizable increase in equipment and track maintenance expense, made necessary by the distressingly large amount of deferred maintenance accumulated since 1930, losses of $3.8 million and $3.2 million were incurred in 1934 and 1935, respectively. Then, with what appeared to be real economic recovery under way in 1936, there was a sharp improvement in the company’s fortunes. Revenues jumped to $178 million, up almost 21 percent. Net income available to common equity became positive again, in the amount of $4.5 million. That represented an ROE of only 1.37 percent, but it was the best that the company had done in six years. Revenues still were nearly 30 percent below their 1929 level, and cumulative net income since the end of 1930 remained negative, but the B&O was beginning to regain a measure of financial health.33

During this period, unfortunately, there arose for the first time a reason to be concerned about the health of the B&O’s leader. On August 9, 1935, it was reported that Willard was in Johns Hopkins University Hospital, having suffered a case of ptomaine poisoning while on an inspection trip. Bert Jewell noted an article in the Chicago Tribune to that effect, and the same day wrote to Willard, expressing the hope “that ere this reaches you, you will have entirely recovered and are enjoying your usual good health.” Willard replied on August 10 that he had become “somewhat ill” during his inspection trip of the B&O’s Reading subsidiary, and that he had returned to Baltimore and checked in at Johns Hopkins (of which he still was president of the board of trustees) simply “to find out what was the trouble.” He told Jewell that he felt “quite all right again” but that his doctor insisted upon his staying in the hospital for a week or ten days. Willard allowed, “I suppose I may follow his advice, but I am not certain.”34

In fact, it was not ptomaine poisoning, but a mild heart attack that Willard had suffered. He was seventy-four years old and still working a six-day week of long days. Even on Sunday, his day off, it was his frequent practice, after church in the morning, to spend time strolling around the B&O’s various Baltimore-area facilities to see how things were going. After his heart attack, he was forced to curtail some of his activities, especially in the eve-
nings. He began working a shorter day and retiring to bed shortly after dinner to read or listen to the radio. Daniel Willard finally was becoming an old man, and that was not good news either to him or to the Baltimore & Ohio Railroad.

By the spring of 1936, the Cooperative Traffic Program was two and a half years old; it properly could be called mature. Around the system 368 committees had been organized, 291 in the men’s division and 77 in the women’s division. There were not so many monthly meetings; it had become standard procedure for multiple committees in a single city or town to meet together. The only separation routinely observed was that between men’s and women’s divisions. The essential fact was that CTP meetings were being held every month at every location of any significance on the entire B&O-Alton system.

Perhaps the most striking demonstration of the size and momentum that had been gained by the CTP was the Baltimore Terminals mass meeting held in May 1936. Approximately four thousand people packed the Alcazar Auditorium for the event, overflowing the main hall into balconies, adjoining rooms, and stairways. The agenda for the evening was familiar and smoothly executed. A lengthy program of entertainment, largely consisting of song and
dance numbers, was provided mostly by the children of local employees. A sizable collection of door prizes, mainly small electrical appliances, was awarded. Brief introductory remarks were made by the terminal superintendent, two local CTP committee chairmen, and O. S. Lewis. Willard was to be the principal speaker, but he was recovering from a serious episode of bronchitis; Charles Galloway acted as his stand-in, praising CTP efforts in particular and B&O employee cooperation in general. The assembly was led in song (presumably including “Hail, the Baltimore & Ohio’’). Finally, the floor of the main hall was cleared of chairs, and there was dancing for those who wished to stay, to the music of a professional orchestra."

As the headquarters city, with by far the largest number of B&O employees of any point on the system, Baltimore could be counted upon to turn out the largest crowds for major CTP rallies. In absolute terms, then, the CTP may have been most successful in Baltimore. In relative terms, however, its success may have been equal—or in a few instances even greater—in some other B&O towns. As the program became firmly established, a pattern of CTP participation rates emerged, a pattern similar to those discernible in earlier employee involvement programs such as the Veterans’ Association, the safety rallies, and welfare department activities. Participation rates were not uniform across the railroad. They appeared to be a function of two factors: the size of the community and the salience of the B&O in that community. The degree of employee participation in the CTP tended to be inversely related to
the former: the larger the town, the lower the rate, presumably because em-
ployees and their families in large cities had a wider range of entertainment or
other diversionary opportunities than did their small-town counterparts, and
because large-city culture generally placed a lesser emphasis on loyalty and
sense of belonging. On the other hand, the participation rate tended to vary
directly with the second factor; the more obviously important the B&O was to
the well-being of the town, the higher the rate. Thus CTP participation, as a
percentage of local employees, usually was highest, month in and month out,
in small towns where the B&O was one of the largest employers. In relative
terms, then, the CTP was at least as successful in turning out the troops in
towns such as Cumberland, Wheeling, New Castle, Clarksburg, and Chilli-
cotne as it was in Baltimore. Conversely, it was less successful in Phila-
delphia, home of the Pennsylvania Railroad, and in Chicago, where the B&O
was just one of roughly twenty major railroads serving the nation’s second
largest commercial and industrial complex.  

So in the smaller towns especially, the CTP came to be a center of consid-
erable employee attention and activity, often ranging beyond the original pur-
pose of the program. At the New Castle men’s meeting in November 1937, for
example, the regular CTP business reports were followed by planning for a
bowling league and a CTP minstrel show. Those last items traditionally were
within the purview of the welfare department. However, even if W. W. Wood
objected to such incursions upon his turf, no one else seemed to mind; the
same company-spirit-building purpose was served no matter whose program
received the credit. Increasingly, the umbrella program under which the com-
pany’s extracurricular activities were conducted was the CTP.

In that sense, the program was increasingly successful in achieving its
objectives in the intangible realm. With respect to its tangible objective, traf-
fic generation, it was holding steady at a satisfactory level. Numerical results
for the CTP’s first five years were in many key respects roughly quintuple
those of the first year, a remarkable degree of consistency. Credited traffic for
the five years ending in November 1938 totaled 108,037 freight carloads,
95,877 LCL shipments, and 167,062 passengers. Monthly averages in these
categories were 1,801, 1,598, and 2,784, respectively. The first two averages
were comparable to figures achieved during the program’s first year. The last
one, the passenger figure, was somewhat larger than the first-year average;
unfortunately, it also was in gross terms the least lucrative of the three
categories. In addition to reports of accomplished sales, 39,258 freight prospect
tips, 16,341 passenger prospect tips, and 2,746 suggestions were received by
CTP committees and forwarded to traffic department representatives. The
average number of employees per month offering some kind of CTP report
was 1,308, again a figure comparable to the first-year average.  

Given an average B&O–Alton system employment of roughly 47,000
during the 1934–1938 period, the figure 1,308 may be translated into an active CTP participation rate of 2.8 percent per month. Unfortunately, an annual participation rate was not computed, and a full set of CTP Bulletins was not preserved to allow such computations to be made now. Still, as suggested previously, it may be inferred that the annual rate was much higher than 2.8 percent. Fragmentary evidence suggests a rate closer to 10 percent: for example, CTP committeemen of the Cincinnati Terminals apparently were embarrassed by an active participation rate of only 3.4 percent for the first seven months of 1938.41

In the considered judgment of the officials who ran the program in subsequent years, 10 percent is a reasonable estimate of the average active rate. The estimate is a soft one, made decades after the fact and based upon subjective assessment of data that might have been slightly exaggerated in the field; business secured by employees was largely self-reported, and, to reinforce the desired atmosphere of trust, no verification attempts were made by CTP officials. Let it be assumed, though, that 10 percent is a correct figure. It still may not appear to be especially impressive. It raises the question, What about the other 90 percent? The answer, in part, is that many of them attempted to solicit traffic for the B&O and failed, and a much larger number at least occasionally dropped by for CTP meetings, particularly the major entertainment-oriented events. If a total participation rate is defined to include those who occasionally participated passively as well as those who aggressively went after traffic, then the number is plausibly in the neighborhood of 30 percent, a more heartening figure.42

Whatever the participation rate, the gross revenues attributed to the CTP were of some consequence. Lewis estimated CTP carload freight revenue for the first five years of the program to have been about $5.4 million. LCL and passenger revenues may be estimated similarly to have been $783,000 and $438,000, respectively. The total would have been more than $6.6 million, and the annual average of over $1.3 million would have been just slightly less than the first-year credited total of $1.4 million. The credited total would have constituted 0.84 percent of the B&O’s revenues during the period, or more pertinently, since CTP figures included Alton results, 0.77 percent of the revenues of the B&O–Alton system. If routing orders and other noncredited promises of business materialized in the same measure that was expected in 1934, CTP revenue contribution would have amounted to approximately 1.1 percent of the B&O–Alton total.43

Certainly, 1.1 percent is a small figure, but it was not of negligible value, as the second wave of the Depression hit the B&O hard. Industrial output and rail traffic began falling again late in 1937, and they fell further in 1938. Largely because of precipitous declines in coal, ore, and steel traffic, B&O
revenues in 1938 were 21 percent below their level in 1936. Without the CTP they might have been 1.1 percent lower yet. Whether the B&O might have been forced into receivership by marginally larger operating deficits occurring in the absence of the CTP will be discussed at the end of this chapter. The call was close.

At this point, a more thorough consideration of whether the traffic attributed to the CTP really should have been so attributed is in order. It has been noted already that most CTP business was not formally verified; thus there existed the possibility that reported traffic might have been inflated somewhat by ambitious but unscrupulous employees wishing to attract favorable attention to themselves. The chance of being discovered by peers or superiors in a position to observe whether the reported traffic actually moved, though, would tend to discourage such behavior. A more troublesome question is this: Would the traffic credited to the work of CTP participants have gone via B&O even without their efforts?

More than a small amount of it might well have. For example, the record of the November 1937 women’s meeting in Zanesville, Ohio, credited the wife of signalman S. E. Cupp with two passengers from Zanesville to Chicago. The B&O was the only railroad offering passenger service in Zanesville; the town had no scheduled air service, and a trip of nearly four hundred miles by bus or by automobile would have been lengthier and less comfortable than on the B&O’s direct train. The same basic observation may be made about CTP business reported at any town where the B&O was the dominant transportation company—not just Zanesville, but also communities such as Cumberland, Clarksburg, Parkersburg, Wheeling, and Chillicothe.

However, even if most of such trips or shipments would have been made by B&O anyway, the CTP would not have been terribly overcredited. “Monopoly” towns such as Parkersburg and Clarksburg were much more the exception than the rule: at most of its major traffic-generating points, the B&O faced serious rail competition, as well as increasing pressure from subsidized air and highway transportation. In most cases, then, CTP-credited hauls or trips were ones for which B&O routing was one of two or more reasonable options; in some instances, the B&O would have been the less obvious choice. For example, at the November 1937 women’s meeting in Lima, Ohio, the wife of tank repairman C. E. Richards was credited with securing a passenger from Lima to New York. Lima was a stop on the New York–Chicago main line of the Pennsylvania; a routing via B&O would have been circuitous and much more time-consuming, with at least one layover and change of trains. At the New Castle men’s meeting the same month, yard clerk H. P. Ward was credited with a tip, forwarded to the traffic department, that secured
twenty-five carloads of steel from Johnstown, Pennsylvania, to New Castle. Shippers in Johnstown presumably would have looked to the PRR first, as the town was on that road’s main line, and the PRR’s route to New Castle was shorter than the B&O’s. At the Dayton, Ohio, men’s meeting in November 1938, E. L. Marrinan reported securing fifteen LCL shipments from New York to Dayton. Again, the Pennsylvania had the advantage of a shorter and faster route.45

Instances of such salesmanship continued through the CTP’s sixth year and beyond, even as general traffic levels recovered and the B&O pulled away from the brink of bankruptcy. At the Columbus men’s meeting in August 1939, five employees (a yardmaster, a claim clerk, a rate clerk, an agent, and a chief clerk) each were credited with having secured passengers traveling between Columbus and New York. Both the Pennsylvania and the New York Central provided direct main line service over that route; the B&O again was circuitous and required a change of trains. Air service was available to the affluent, and bus service was available to those on a very tight budget. The passengers in question must have traveled B&O only through the determined and persuasive urging of the CTP participants. In a few cases, CTP participants went to unusual lengths to secure new business. The December 1938 issue of Baltimore & Ohio Magazine reported that agent John Fosbrink, stationed at Winchester, Virginia, on the Shenandoah Valley branch, secured the patronage of two passengers by offering to drive them personally to Martinsburg, West Virginia, the nearest B&O main line station. The two prospects had been contemplating a bus rip to Fort Worth; instead, they rode the B&O to St. Louis, where they transferred to another carrier to continue their journey.47

It is clear from all of these and many similar examples that some B&O employees really were energized by the Cooperative Traffic Program to go beyond their basic job descriptions to sell B&O services. But a further question might now be asked: Which employees were those? Were they evenly spread across departments and hierarchical levels, or were they concentrated in particular areas of the company? A cursory glance at CTP committee reports suggests that a somewhat disproportionate share of reported traffic came from white-collar employees or from their wives. Was the CTP dominated by higher-status employees? If it were to a degree that was seen by lower-status workers as discomfiting, then the teamwork and “company family” objectives of the program would have been undercut.

The question is difficult to answer, because surviving records are incomplete and because critical terms in the question are not very clearly definable. Assigning relative status to particular jobs, or even defining which jobs are white-collar and which are blue-collar, can be a slippery and subjective matter
in the railroad company. Generally, as in most industries, employees who wore white shirts and ties—identifiably white-collar—held higher status than those who wore overalls or other coarse and heavy work clothes on the job. However, in some instances this pattern was blurred or even reversed. Passenger trainmen, for example, wore white shirts and ties on the job, yet they belonged to the same union and were essentially of the same service class as freight trainmen, a blue-collar group. Engineers wore overalls to work, yet they, especially those in passenger service, clearly enjoyed higher status and higher pay than most of the railroad's generally white-collar clerks. Other similar examples abound.

Nonetheless, if it is understood that color of collar is but loosely correlated with status, the question may be pursued. Job groups can at least be identified, and for the sake of drawing an approximate profile of CTP participation, those groups can be tagged as white-collar or blue-collar on the basis of the typical work attire of a majority of its members. Local CTP committee reports analyzed according to this scheme can yield some insight, however limited, on the issue of whether any particular group of employees dominated the program.

The most nearly complete sets of CTP records for two contrasting settings are those of Cincinnati (the Temple Bar Building offices, Cincinnati Terminals, and Ivorydale) and Zanesville, Ohio, during the fifth year of the program, December 1937 through November 1938. Cincinnati's records survive in nearly full detail (only two of eighty-one contributing employees are unidentified by job title) but only for the last seven months of the period. Zanesville's records for the entire period are extant, but considerable detail is missing from them (four of thirty-one contributing employees are unidentified by job title, and 66 of 106 traffic reports do not mention the exact number of shipments or passengers credited). An analysis of those records is presented as tables 4-1 and 4-2.

Table 4-1 appears to indicate that in Cincinnati, white-collar employees did indeed dominate the program. During the period in question, of the total B&O work force roughly 25 percent would be classified as white-collar. At Cincinnati, however, the group of identified employees reporting traffic was 90 percent white-collar, and 93 percent of their individual monthly reports were from white-collar employees. Such a striking imbalance might well have been cause for concern. However, to put those numbers in perspective, it should be noted that Cincinnati was the headquarters of B&O western lines, and as such had a higher concentration of white-collar workers than any other B&O community except Baltimore. Table 4-2 further shrinks the significance of the Cincinnati figures. At Zanesville the principal B&O facility was the signal shop; the white-collar proportion of the B&O work force was much
### TABLE 4-1
Cooperative Traffic Program Report Summary
Cincinnati (Including Ivorydale)
May–November 1938

<table>
<thead>
<tr>
<th>Number Reporting business</th>
<th>Number of reports</th>
<th>Reported business*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>C</td>
</tr>
</tbody>
</table>

#### MEN’S DIVISION

<table>
<thead>
<tr>
<th>Position</th>
<th>Number of reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>White-collar Agent</td>
<td>16</td>
</tr>
<tr>
<td>Asst. general freight agent</td>
<td>1</td>
</tr>
<tr>
<td>Car distributor</td>
<td>1</td>
</tr>
<tr>
<td>Cashier</td>
<td>1</td>
</tr>
<tr>
<td>Clerk, rate clerk, ticket clerk</td>
<td>27</td>
</tr>
<tr>
<td>Chief clerk, chief rate clerk</td>
<td>7</td>
</tr>
<tr>
<td>Coal traffic rep., coal freight agent</td>
<td>3</td>
</tr>
<tr>
<td>Crew caller, crew dispatcher</td>
<td>2</td>
</tr>
<tr>
<td>Master mechanic</td>
<td>2</td>
</tr>
<tr>
<td>Secretary, stenographer</td>
<td>7</td>
</tr>
<tr>
<td>Special representative</td>
<td>1</td>
</tr>
<tr>
<td>Supervisor of station services</td>
<td>2</td>
</tr>
<tr>
<td>Tariff compiler</td>
<td>1</td>
</tr>
<tr>
<td>Yard clerk</td>
<td>19</td>
</tr>
<tr>
<td>Chief yard clerk</td>
<td>4</td>
</tr>
<tr>
<td>Yardmaster</td>
<td>3</td>
</tr>
</tbody>
</table>

**Total white-collar men** 63

<table>
<thead>
<tr>
<th>Position</th>
<th>Number of reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>White-collar Clerk</td>
<td>1</td>
</tr>
<tr>
<td>Comptometer operator</td>
<td>1</td>
</tr>
<tr>
<td>Secretary</td>
<td>1</td>
</tr>
<tr>
<td>Telephone operator</td>
<td>1</td>
</tr>
<tr>
<td>Timekeeper</td>
<td>3</td>
</tr>
</tbody>
</table>

**Total white-collar women** 11

**Total white-collar** 74

<table>
<thead>
<tr>
<th>Position</th>
<th>Blue-collar</th>
<th>Blue-collar</th>
<th>Blue-collar</th>
<th>Blue-collar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car foreman</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Conductor</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Electrician</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Engineer</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Laborer</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Operator</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

**Total blue-collar men** 7

<table>
<thead>
<tr>
<th>Position</th>
<th>Blue-collar</th>
<th>Blue-collar</th>
<th>Blue-collar</th>
<th>Blue-collar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yard clerk</td>
<td>4</td>
<td>7</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Total blue-collar men</td>
<td>8</td>
<td>11</td>
<td>13</td>
<td>0</td>
</tr>
</tbody>
</table>

**Total blue-collar** 34

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* C, carload freight; LCL, less-than-carload freight; P, passenger; T, tip.
lower than at Cincinnati, and so was the white-collar presence in the CTP. There the group of identified employees generating traffic (either themselves or through family members) was only 22 percent white-collar, and only 25 percent of individual reports came from such employees. In other cases where reasonably detailed local CTP reports survive—notably New Castle, Salamanca (New York), Wheeling, and Columbus—white-collar percentages lay between the Cincinnati and Zanesville extremes, tending toward one or the other in relation to the overall makeup of the local B&O work force. A reasonable assessment of the issue is that white-collar employees as a group indeed participated in the CTP to a greater extent than blue-collar workers, but not to such a degree as to constitute a widespread problem.

In addition to helping to resolve the white-collar/blue-collar issue, tables 4-1 and 4-2 contain at least four interesting pieces of information. First, it may be noted that during the periods being examined, no family members of employees reported traffic at Cincinnati, and no women employees reported traffic at Zanesville. The latter may be explained by a lack of traditional women’s jobs at Zanesville, but there is no obvious explanation for the former. It is not likely that one group tended to drive out the other; employees and employees’ family members apparently coexisted very nicely in women’s CTP groups in towns such as Wheeling. Second, at both Cincinnati and Zanesville, train crew members are conspicuously scarce as CTP participants. With regard to this information, the tables indicate a pattern that characterized the CTP throughout its existence: engineers, firemen, conductors, and trainmen usually were much less active than other groups of employees. This pattern had two principal causes: all but the most senior train and engine crewmen were subject to working long, odd, and irregular hours, and they as a group tended to be more independent and less group-minded than desk-bound railroaders. This phenomenon, however inevitable, was more disappointing to the company than any low general blue-collar participation rate.

The third observation that may be made is that consistent with the tendency discussed previously, the overall participation rate in small-town Zanesville was greater than in big-town Cincinnati. The B&O had fewer than 200 employees in the Zanesville area but more than 2,000 in and around Cincinnati. If the total number of employees reporting business in Cincinnati for the seven months indicated (84) were simply annualized, the resulting figure (144) would be roughly 7.2 percent of Cincinnati employment. Zanesville’s 31 contributing employees, in contrast, were approximately 15.5 percent of the Zanesville base: an active participation rate more than double the estimate of the larger town’s rate. A related point not indicated in the table is that 70 men attended Zanesville’s regular CTP meeting in November 1938, a total (active and passive) participation rate of over 35 percent; the Cincinnati CTP seldom did that well even at its major social events.
### TABLE 4-2
Cooperative Traffic Program Report Summary  
Zanesville, Ohio  
December 1937 - November 1938

<table>
<thead>
<tr>
<th>Number Reporting business</th>
<th>Position</th>
<th>Number of reports</th>
<th>Reported business*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>C</td>
<td>LCL</td>
</tr>
</tbody>
</table>

#### MEN'S DIVISION

- **White-collar**
  - Clerk, clerk-stenographer: 3 reports, 7 C, 2 LCL, 3 P
  - Chief clerk: 1 report, 1 P
  - Storekeeper: 2 reports, 2 LCL
  - Supervisor of shops: 3 reports, 5 T
  - Total white-collar men: 6 reports, 7 C, 2 LCL, 10 P, 4 T

- **Blue-collar**
  - Blacksmith's helper: 1 report, 1 T
  - Carman, car painter: 8 reports, 6 C, 6 LCL, 4 T
  - Machinist's helper: 1 report, 1 T
  - Shop foreman: 1 report, 1 T
  - Signalman, signal helper: 8 reports, 2 C, 1 LCL, 13 P, 46 T
  - Signal shopman: 3 reports, 1 T
  - Stores helper: 2 reports, 3 T
  - Total blue-collar men: 16 reports, 9 C, 7 LCL, 26 P, 46 T

- **Position unidentified**: 7 reports, 19 T

#### WOMEN'S DIVISION

- **White-collar (family member of)**
  - Wife of clerk, daughter of clerk: 5 reports, 8 T
  - Wife of supervisor of shops: 5 reports, 8 T
  - Total women, white-collar family: 10 reports, 0 C, 0 LCL, 16 P, 0 T

- **Blue-collar (family member of)**
  - Wife of blacksmith's helper: 1 report, 1 T
  - Wife of carman: 2 reports, 10 T
  - Wife of engineer: 3 reports, 4 T
  - Wife of machinist's helper: 1 report, 1 T
  - Wife of shop foreman: 3 reports, 3 T
The Cooperative Traffic Program

TABLE 4.2
(continued)

<table>
<thead>
<tr>
<th>Number Reporting business</th>
<th>Position</th>
<th>Number of reports</th>
<th>Reported business*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>C</td>
</tr>
<tr>
<td>6 (1)</td>
<td>Wife of signalman, signal helper</td>
<td>23</td>
<td>82</td>
</tr>
<tr>
<td>1 (1)</td>
<td>Wife of signal shopman</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>1 (1)</td>
<td>Wife of stores helper</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>14 (5)</td>
<td>Total women, blue-collar family</td>
<td></td>
<td>39</td>
</tr>
<tr>
<td>2 (2)</td>
<td>Wife of (position unidentified)</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

*C, carload freight; LCL, less-than-carload freight; P, passenger; T, tip. All reported business figures are probably understated significantly, as in instances where number of passengers or shipments was not recorded (66 of 106 instances) the minimum possible number (1) was inserted.

**The number in parentheses is the number of women (none of whom were employees) whose husband or father is not included as a contributor in the Men's Division summary. To prevent double counting, the number of employees contributing (on their own or through family members) is found by adding the total in parentheses to the Men's Division total.

Finally, the tables indicate that Cincinnati and Zanesville CTP results were not heavily dependent upon a few consistently prolific producers. The seven-month ratio of reports to reporting employees for Cincinnati was 1.46; the twelve-month ratio for Zanesville was 2.97. In other words, the protean efforts of Mrs. S. E. Cupp notwithstanding (she reported traffic secured in eleven of the twelve months), the Zanesville average was just under three reports per reporting employee per year. For Cincinnati the maximum annual rate, possible only if previous contributors continued to produce at their previous rate and no additional employees reported traffic, would have been 2.50 reports per reporting employee. Were such a figure typical of the system, the systemwide monthly active participation rate of 2.8 percent would amount to an annual rate of over 13.4 percent—13.4 percent of all B&O and Alton employees reporting traffic secured within a given year. Against a reasonable standard, that would be an entirely respectable figure.

Since the CTP had established itself as a modest but steady success, were other railroads rushing to copy it? Not exactly. The B&O, after all, was not encouraging them to do so. As the tangible half of the program's purpose was
the diversion of traffic from other carriers, rail as well as highway, to encourage emulation by the competition would have been substantially self-defeating. The CTP was not the deepest of secrets, but neither was it publicized beyond the B&O–Alton system. The company did not even talk about the program to Railway Age. It was not so much as mentioned in the pages of that journal until June 1939, when a summary of a prior article from Baltimore & Ohio Magazine, detailing the program's five-year accomplishments, was published.54

However, in an industry as interdependent as railroading, general information about interesting developments usually spreads through informal channels with a modicum of speed and accuracy. It is reasonable to assume that within a year of the CTP's development, at least a few people of influence at the other major carriers in the B&O's region had heard something about it. The more aggressive and optimistic among them probably tried to move their roads in a similar direction; a few of those achieved marginal success. The best example of an eastern district railroad that appears to have followed the B&O in this way was the Norfolk & Western. By early 1936 the N&W had set up a string of organizations called Better Service Clubs at twenty-one major points across the system. The function of the clubs was to provide opportunities for employee social interaction, to encourage employees to do their jobs in friendlier and more efficient fashion, and to encourage employees to solicit N&W patronage—the CTP functions with a dash of Cooperative Plan thrown in. Organizationally, the clubs seem to have been given at least the appearance of an autonomy reminiscent of the PRR Mutual Beneficial Association, not surprisingly as the Pennsylvania was a major N&W stockholder. The program was active for a couple of years, then faded into obscurity. Beyond that its level of success and ultimate disposition are unclear.55

On the PRR itself, CTP imitation was noticeable but not very energetic or coherent. At the start of the Depression, the Pennsylvania was doing basically the same thing that the B&O was doing: encouraging employee traffic solicitation and publishing the names of successful employees in the company paper, the twice-monthly Pennsylvania News. Further encouragement was provided occasionally by the MBA's Mutual Magazine. For a year and a half after the CTP was started, the PRR did nothing more. Then, in an action strikingly parallel to their establishment of the Bureau of New Ideas, the company's management organized a PRR variant of the B&O predecessor program. Beginning in May 1935, large rallies were conducted across the railroad for the purpose of generating enthusiasm for an expanded employee traffic solicitation campaign. It was unprecedented, for the Pennsylvania; Mutual Magazine told glowingly of the "monster get-together" at central region headquarters in Pittsburgh, attended by all of six hundred people, all officers and supervisors. A couple of months later, out in the hinterlands, the company did better. At
Logansport, Indiana, the main shop town and division point on the PRR's Panhandle lines, the sales rally drew five hundred (including wives and children); blue-collar workers were invited this time. Internal publicity on the campaign, through both the Pennsylvania News and Mutual Magazine, was substantial for a few months, giving prominence to "stirring appeals" by employees and their family members to promote the company's services to friends, neighbors, and local merchants. And that was it.

In attempting to secure the benefits of a CTP adaptation, PRR management was careful to distill away any traces of the warmer and more open B&O corporate culture. Thus the PRR campaign differed from the CTP in four primary respects. First, as there was no intangible company-family-building objective for the campaign, it was not integrated with employee social activities. Still usually sponsored by the MBA and the PRRYMCA, those were rebounding after some early-Depression cutbacks; during 1935, for example, the central region MBA picnics at Conneaut Lake Park and a PRRYMCA bowling league were restored. Second, the campaign had no full-time staff; it was conducted by traffic department officials as part of their regular duties. Third, there was no local committee structure; everything was tightly controlled through regular hierarchical channels. Somewhat decentralized, occasionally ad hoc local organizing was a B&O tendency, not the practice of the Pennsylvania. Fourth, the campaign was not intended to have a long-run existence. It was to help the railroad out of its temporary doldrums, and then, presumably, to end.

This list of differences might as well be a list of reasons why the PRR campaign flopped; these were critical elements in the CTP's success. Results in terms of measurable traffic increases evidently were deemed insufficient to justify the effort of continuing the campaign, and it coasted to a stop. To the extent that it was replaced, it was by reliance on the general industry advertising campaign begun in the summer of 1936 by the Association of American Railroads (AAR, successor to the ARE), supplemented by occasional reminders in company publications to sell PRR services specifically. Organized employee traffic solicitation on the Pennsylvania was for all practical purposes dead. In a speech to the 1938 MBA General Assembly, PRR president Martin W. Clement, who succeeded General Atterbury in 1935, spoke at length about the need for political pressure from PRR employees to secure regulatory equity for the railroads; he said not a word about a need for them to try to sell Pennsy services.

The Pennsylvania basically was rejoining the pack. Throughout the middle and late 1930s, most railroads followed a group approach to the problem of low sales volume. Beyond the normal activities of their traffic departments, most roads confined their individual efforts to small points such as reciprocity
stickers. Big pushes generally were regional and national in scope; employees then were urged to support the industry campaign through their personal contacts. The usual medium for such urging was the company magazine, which most major roads had begun publishing before 1930. For example, the Santa Fe’s most visible attempt to involve its employees in traffic solicitation centered upon the western district’s 1935 joint advertising campaign. The Santa Fe’s participation in the campaign was announced in a two-page article in Santa Fe Magazine accompanied by a brief appeal to all employees to “back it up to the extent of our ability in order to make it succeed.”

There was little or no organizational follow-up to these campaigns and appeals, and results seem to have been marginal. On some roads they were nearly nil. Successful employee traffic solicitation was so rare on the Chesapeake & Ohio, for example, that when engineman Burley Mullins of Danville, West Virginia, secured a passenger to Marion, Ohio, the company magazine gave the accomplishment a two-column-inch story. Many roads did somewhat better, but it does not appear that any of them tried so hard or did so well as the B&O.

Why? We ask the same basic question posed in regard to the Cooperative Plan, and elements of the same answer apply to the CTP. First, there is the necessary but not sufficient factor of economic pressure: in this instance, the B&O’s debt, pressing it harder than many other roads were pressed. Second, and again decisively, is the factor of leadership character. In the case of the CTP, that factor was translated into the four essential components cited as missing from the PRR program, and into a broader and deeper phenomenon that energized and bonded all aspects of the program: employee spirit, carefully cultivated by Daniel Willard for over twenty years. The CTP helped to build the B&O’s sense of company family, but it also was built by it. A CTP cannot be built from scratch overnight, without the necessary preconditions and foundations. On the N&W, the PRR, the Santa Fe, the C&O, and the rest of the American railroad industry, one or more of these elements was weaker than on the B&O, or was missing altogether.

While the Cooperative Traffic Program was rolling along steadily, how was the original Cooperative Plan doing? Not so well. In the mechanical department, shop conferences continued to be held monthly, but the level of activity at those conferences was markedly lower than it had been back in the 1920s. As noted in chapter 3, through the end of 1926, the Cooperative Plan had generated an average of 529 suggestions per month, and the monthly average from January of 1927 through December of 1933 was 190. During the next four years, the average number of suggestions per month was fifty-two, barely more than one per shop.
As a result, shop meetings tended either to be short or to be devoted largely to matters other than shop efficiency. At the October 1938 meeting at Ivorydale, for example, the main agenda items were a discussion of the company’s financial illness, a consideration of ways to boost the CTP, a discussion of local advertising alternatives, and remarks by superintendent F. L. Hall, the same gentleman who led the Ivorydale meetings in 1925, on the plight of the American railroads. System meetings in Baltimore were on average not much different. The meetings of January and April 1938 lasted seventy and ninety-five minutes, respectively. A dozen suggestions, most of them deferred from prior meetings, were discussed at each; the balance of the time was spent talking about layoffs, poor traffic, and the company’s four new diesel passenger locomotives. Of system meetings of the last half of the decade, only the October 1937 meeting bears much resemblance to the meetings of the midtwenties, and that is somewhat superficial. The meeting lasted for over three hours, and twenty-one suggestions were reviewed. Closing general discussion was mostly germane to shop operations and cooperation, including a suggestion from the federation’s acting president, Harry Doyle (interim and eventually long-term successor to William McGee), that local cooperative committees be reminded to discuss the CTP. However, a major reason for the meeting’s length and purposefulness was the fact that the prior quarter’s meeting had been cancelled. Moreover, only two of the twenty-one suggestions on the agenda were reported to be completed, and one of those—repair of the floor and pits at the Willard, Ohio, roundhouse—dated from November 1931. Of the remaining proposals, four were in the process of completion, one was officially held in abeyance for lack of funds, and fourteen were deferred pending investigation and identification of low-cost solutions. This was not the Plan at its best.

The Plan as applied to the transportation and maintenance of way departments was losing steam similarly. From its beginning through the end of 1933, suggestions averaged sixty-eight per month; the average for the subsequent four years was thirty. Perhaps more critically, the suggestion acceptance rate fell even more drastically; whereas the acceptance rate in the mechanical department stayed fairly steady, well above 80 percent, the CTP/MW acceptance rate dropped from an average of 67 percent through the end of 1933 to 15 percent over the next four years. Budgetary constraints were the principal culprit; when those were relieved by financial recovery in 1939 and 1940, the acceptance rate actually exceeded 100 percent for a time, as the backlog of suggestions held in abeyance was worked down. Even so, workers could not have found having their ideas sit in limbo for months or years very encouraging.

The Cooperative Plan still was functioning as a means of communication
between labor and management in the late thirties, but much of its vitality was gone. The reasons for the continuing decline appear to be the same factors mentioned previously: exhaustion of the more obvious ideas for improvement, worn-off novelty, lower morale, and the discouraging impact of severe budgetary constraints on suggestion implementation, plus management’s preoccupation with the CTP. It even had lost some of its commanding superiority over the Pennsylvania’s Bureau of New Ideas. The BNI was generating almost as many suggestions per month as the Cooperative Plan. Because of the BNI’s still much lower acceptance rate (consistently around 30 percent) and the PRR’s much larger employment base (nearly three times the B&O’s), the Plan’s “constructive participation rate” was more than seven times that of the BNI. But that was down from a factor of more than 32 ten years before.

The ongoing decline of the Plan was accompanied during this period by the first signs of weakness in the company’s overall relations with organized labor. Collective bargaining on the B&O had been almost always smooth and free of rancor throughout the Cooperative Plan years. After the 1922 Shopmen’s Strike, Willard never had to face a walkout by his people; it appears that the 1929 misunderstanding over the shopcrafts’ five-cent raise was as close as he had come, and that was not very close. Through Charles Galloway, he resisted any wage requests that would have put the B&O at a competitive disadvantage, but he was amenable to negotiating anything that did not. The unions, for their part, did not really press him. Nor did they really press anyone else all that hard. During the twenties the normal pattern was for a union to negotiate a reasonable settlement with the carrier or carriers whose contracts expired first, and for the other carriers (whether dealing with real or company unions) then to fall more or less into line. During the thirties the trend was toward industrywide collective bargaining, for the sake of simplicity and immediate uniformity, but there still was no serious rupture in relations, even over something as painful as the 1932 wage cuts. Some railroads, notably the Pennsylvania, had to cope with union representational hassles; the B&O did not face even that kind of disagreement. It was a remarkably placid state of affairs—and it almost was grievously upset in 1937–1938.

Two observations can be made about the unions as the Depression dragged on: they were losing patience and they were gaining strength. The 1932 wage deductions had been restored by stages in 1934 and 1935, but rail unionists nonetheless were increasingly restive about their failure to make real progress. At the same time, the national labor movement in general was emboldened by a series of prolabor government actions (especially the outlawing of company unions in 1934 and the passage of the National Labor Relations Act in 1936); the AFL was stronger, and thus more able and willing to encourage assertiveness in its railway department, than it ever had been. So in March 1937 the
national unions of both operating and nonoperating employees presented all of the railroads with demands for pay increases averaging about 20 percent. Negotiating teams for the carriers and the unions failed to reach agreement, and strike votes were authorized. The National Mediation Board, functioning under the Railway Labor Act, intervened and averted a strike by mediating an agreement raising wages by roughly a quarter of the amount demanded. Then in May 1938 the railroads, citing the recent downturn in traffic, announced their intent to cut selected wages by 15 percent; the unions responded with a strike call. This time a Presidential Emergency Board had to be created; the board reported in favor of the employees, the carriers canceled the planned cuts, and the strike was called off.

So the B&O was not struck, but it came closer than it had since 1922. Willard's moderating presence simply was not felt in these disturbances. Why not? Perhaps his energy failed him, or perhaps hard-liners on both sides were in no mood to be moderate. Whatever the case, the confrontations were unfortunate. They placed B&O union members in a position that divided their loyalty; some may have felt like part of an increasingly distant branch of the B&O family. Despite the counterefforts of the CTP, the corporate culture may have begun to erode among some segments of the blue-collar work force. The combined effects of the decline of the Cooperative Plan and the reappearance of adversarial collective bargaining may have caused some workers to wonder whether the B&O was just another big corporation after all.

The period between the 1938 discord and Willard's retirement as president in June 1941 was an interlude of calm on the labor front, marked by a reassuring sign: the slippage of the Cooperative Plan in the shops stopped, at least in quantitative terms. Primarily because of the recall of furloughed employees and increased levels of shop activity, suggestion submissions increased slightly, from a monthly average of fifty-two to fifty-three. In the CT and MW departments, however, the trend was negative, and seriously so. Despite the flurry of suggestion acceptances, suggestion submissions plummeted by nearly two-thirds, averaging a mere twelve per month for the forty months ending in April 1941. The CT/MW program, always relatively high in cost and low in benefits, was nearing the point of ineffectiveness. There are no known documents indicating that the program did not survive the summer of 1941, but neither are there any to indicate that it did. It seems simply to have disappeared.

With the recovery of industrial production and railroad traffic, discernible changes were taking place within the CTP as well. From a near-disastrous 1938, B&O railway operating revenues jumped 20 percent in 1939 and another 11 percent in 1940; by 1941 they almost had regained their level of 1929. With business easier to secure, the immediate effect upon the CTP was
The Cooperative Traffic Program (CTP) saw a significant increase in reported numbers in all categories. The longer-term effect, though, was a shift in emphasis; the company community or social dimension of the program gradually gained importance at the expense of the business dimension. As the recovery proceeded, business meetings became shorter and entertainment became more elaborate. The inclination of some committees not to hold meetings during the summer, except for the annual picnic, became general practice. Business was up, and the pressure was off. Reflecting the decreased need for intensive effort, multiple committees at single sites frequently were merged; by November 1940 the original 368 B&O-Alton committees had declined to 250.

Nonetheless, the CTP still could pack a meeting room. On the evening of November 6, 1940, a crowd estimated at six thousand people jammed the Baltimore Coliseum for the Baltimore Terminals annual CTP rally. O. S. Lewis was to be the speaker for the evening; he was to be followed by the entertainment, provided as always mostly by employees and their children, then by a dance. In fact, Lewis never spoke that evening. Just before the 8:15 start of the program, Daniel Willard had arrived at the hall, with three of his four grandchildren in tow, and had taken a seat toward the front of the audience. Of course, he was invited to the podium, to a standing ovation, and he delivered the evening’s address. It was probably not the best speech he ever gave; he was less than three months short of his eightieth birthday, and some of the energy of his earlier years was gone. It was a good speech, though, full of do unto others philosophy and urgings to please the customer and praise for CTP workers. It was one of Willard’s last major public appearances.

What of Daniel Willard during the last few years of his presidency? Little has been said of him in this chapter; was he similarly less prominent in the running of his railroad? In certain respects it appears that he was. Not in matters of general policy or corporate relations: there, as always, he seems to have been firmly in command. With respect to many day-to-day decisions and details, though, it appears that more were delegated than had been earlier in his tenure. It is difficult to tell for certain, because surviving commentary and correspondence tend to treat him with a certain reverent refusal to acknowledge his age, but the impression remains that Willard had become more head of state than prime minister. He still put in long hours working in the home office and touring the railroad, but Charles Galloway was increasingly visible on the pages of Baltimore & Ohio Magazine, especially when the contextual issue or decision was only of moderate importance. In discussions with lenders and the federal government concerning the shoring up of the B&O’s financial position, Willard was present for the formal and general discussions, but his surviving son, Daniel, Jr. (his older son, Harold, had died of influenza in 1918), who was
the B&O's assistant general counsel, worked out most of the behind-the-scenes details. Willard always had delegated; now he delegated more.

As befits that of a senior corporate head of state, some of Willard's correspondence took on a more broadly reflective quality than it had earlier in his career. Some of it provides interesting insights into the way he saw his job and the world. On matters of general railroad industry labor relations, for example, he still took deep offense at workers who demanded and got something for nothing. When the regional Mediation Board at Chicago handed down a series of decisions expanding the scope of "arbitraries"—special-case bonus payments like the one Willard ordered to be paid in the "Pullman 10" incident discussed in chapter 3—Willard was disturbed. At the same time, though, he saw the matter philosophically. Perhaps, he wrote to Otto Beyer, it was an inevitable working of Emerson's (Ralph Waldo, not George or Harrington) law of compensation. Railroad managements had done many unfair things to their workers in the past, and it was their turn to be treated unfairly by their men. It was his hope, however, that once labor had had its compensatory justice across the industry, workers and managers could forget past inequities and deal with each other "more in harmony with the spirit that should obtain under existing conditions." 73

More generally, his belief in the central role of morality in determining the course of human events is nicely illustrated in a series of letters that he and Beyer exchanged late in 1937. Beyer had sent him a copy of Woodward's New American History, a work heavily shaded with economic determinism. Willard vigorously objected to that quality in the book, in particular its assertion that the Civil War was fought over economic differences, not the moral issue of slavery. Willard argued that although deeply held moral convictions about slavery may have motivated only a minority, they were a very influential minority, and "they furnished the animus that was necessary to bring the two sections into a contest of arms." He further asserted that if a half-dozen people on each side, such as William Lloyd Garrison in the North and Robert Toombs in the South, had not taken on the roles they did, then the war might never have happened. Economic friction may have been a necessary condition, but it was not sufficient. A second condition also was required: existence of morally committed abolitionist leaders and their southern antagonists. Economic forces and individual moral character: those are the same factors that, it is argued, led to the creation of the B&O's cooperative programs.

Did Willard see the creation of his company's programs in those terms? To a degree he did. Modesty was a fundamental Willard trait, so he did not try to glorify himself as the great man of moral courage, in this instance or in any other. He firmly believed in the importance of the B&O's cooperative pro-
grams, but he gave most of the credit to Beyer and William Johnston from the very beginning. The Cooperative Plan, he stated again and again, probably never would have been born had they not come to his office to suggest it. It was, he said, "a case where I, so to speak, was kicked upstairs and got credit for having landed on my feet at the top." Beyer and Johnston were the men of courage, he allowed, not he. But that is not to say that he considered himself irrelevant to the accomplishment. A private action here is probably more revealing than public words. Back in 1934 on a visit to Beyer's new government office in Washington, Willard had noticed a photograph of the CN's Sir Henry Thornton on the wall. A few days later Beyer received a similar photograph of Willard, along with his note expressing the hope "that perhaps you might also be glad to include me in your list of those who have at least been willing to try to bring about a better relationship between employers and employees."

Beyer and Johnston may have deserved first and second place on the list of the worthy, but Willard was not going to concede third place, even to his friend Sir Henry.

Willard was entitled to hope for his share of the credit. Beyer certainly realized that; he acknowledged the fact that Willard was not only indispensable to the cooperative movement, but unique in the extent of his contributions to railroad labor-management relations generally. The best ideas in the world are of little practical value unless someone of power and influence puts them to use. Willard's role was to be that someone: the implementer. As his long career wound to its end, he certainly deserved to look back on it with the satisfaction that he had made a difference.

With the entry of the United States into World War II at the end of 1941, the B&O's needs changed dramatically. The railroad was deluged by wartime traffic; its operating revenues reached $306 million in 1942, more than double their 1938 level, and exceeding those of the prior record year of 1926 by almost $50 million. The company basically had no need for traffic solicitation by anyone. The CTP and its local committees carried on enthusiastically, but their direction was reoriented toward general morale building and win-the-war efforts.

For eight years the CTP had been the focal point of management efforts to promote employee involvement in the life of the company. Was it worth that level of attention? What had the Cooperative Traffic Program really accomplished? By some standard quantitative corporate measures, it had not accomplished a great deal. As noted previously, the CTP probably increased revenues by just over 1 percent per year. Market share, the most common simple measure of sales and marketing success, scarcely budged until the general economic recovery began in earnest in 1940, the program's seventh year.
Table 4-3 suggests that the B&O’s share of eastern district rail traffic moved more closely with gross national product (GNP) changes than with CTP efforts. Although market share was higher during the first four years of the CTP than it was during the two years before the startup of the program, it actually fell below pre-CTP levels as the economy slipped back into deep depression in 1938. It increased rapidly thereafter, moving upward with the general economic recovery and the particular expansion of war-related heavy industry. With its strategic position in the upper Ohio River Valley—shared with the Pennsylvania, whose market share moved along a similar cycle—the B&O was blessed, or cursed, with a larger share of basic industrial traffic than were some of its competitors. Its traffic mix was heavy on highly cyclical coal, iron ore, and steel, and light on more stable general merchandise. In good economic times basic industry boomed, and so did the B&O. In bad times basic industry substantially shut down, and so did major portions of the B&O. Such cyclicality tended to overwhelm any other factor, such as the CTP, which might have had an impact upon market share.

Distortions associated with the business cycle can be reduced appreciably.
if long-term averages are used to level economic peaks and valleys. Table 4-4, using revenues rather than market share for the sake of simplicity, does so. The key element in that table is the comparison of average revenues for the first eight years of the CTP (1934–1941) with the averages for the preceding eight years (1926–1933). The average CTP-period revenue index number for the B&O was 0.767, while that of the PRR was 0.797; this indicates, more authoritatively than does table 4-3, that the B&O actually lost ground to its principal competitor during the period. A reasonable conclusion is that on the average, a superior physical plant beats superior employee commitment, given the time-sensitive nature of most traffic. However, it also should be noted that the B&O’s 0.767 was greater than the average revenue index number of 0.756 recorded by the composite of all other eastern Class I railroads; the B&O, then, gained ground on the remaining competition. A reasonable conclusion here is that when sophistication and location of physical facilities are at least loosely comparable, superior employee commitment can be the decisive factor.

The number of instances in which CTP efforts directly or indirectly were the decisive factor in a routing decision may have been small, but it was not insignificant. The significance of the CTP’s small numbers becomes apparent in light of the B&O’s financial situation in 1938. The company had fallen slightly below the break-even point again in 1937, losing $0.7 million. Then in 1938, with the serious resumption of the Depression, the B&O lost $13.1 million. Its liquid assets already were terribly thin, and default on the interest payments on its debt was imminent. In an attempt to avoid receivership, Willard’s financial officers and board of directors devised a debt modification plan, the critical elements of which were extension of maturity dates on $166 million of debt, and easing of immediate interest charge pressure by assigning 36 percent of annual interest charges contingent status—payable if earned and deferred if not earned. According to Willard, the modification plan was a sensible means of preventing the upheaval of bankruptcy proceedings, but not all of the B&O’s bondholders were both willing and legally able to give their assent. Accordingly, it became necessary to amend the Federal Bankruptcy Act to allow the B&O to proceed despite the objecting minority. For a railroad led by anyone other than Daniel Willard, to secure such legislation might have been next to impossible; for Willard’s B&O, it was merely difficult. Willard was a staunch Republican, but his personal integrity and his openness to organized labor had won him many friends among Democrats as well as members of his own party. By drawing upon his nearly three decades’ worth of accumulated goodwill, he was able to win passage of the Chandler Bill, which provided for the necessary amendment with such restrictions as to make it applicable almost uniquely to the B&O.
### TABLE 4-4
Railway Operating Revenues, Indexed
(Base: 1926–1933)
Eastern District Class I Line-haul Steam Railroads and Subsidiaries

<table>
<thead>
<tr>
<th></th>
<th>Pennsylvania R.R.</th>
<th>Baltimore &amp; Ohio R.R.</th>
<th>All Other Eastern District</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bases (1926–1933)</strong></td>
<td>1.000</td>
<td>1.000*</td>
<td>1.000*</td>
</tr>
<tr>
<td>1934</td>
<td>0.627</td>
<td>0.631</td>
<td>0.645</td>
</tr>
<tr>
<td>1935</td>
<td>0.671</td>
<td>0.660</td>
<td>0.675</td>
</tr>
<tr>
<td>1936</td>
<td>0.806</td>
<td>0.786</td>
<td>0.774</td>
</tr>
<tr>
<td>1937</td>
<td>0.832</td>
<td>0.788</td>
<td>0.781</td>
</tr>
<tr>
<td>1938</td>
<td>0.658</td>
<td>0.629</td>
<td>0.644</td>
</tr>
<tr>
<td>1939</td>
<td>0.787</td>
<td>0.749</td>
<td>0.746</td>
</tr>
<tr>
<td>1940</td>
<td>0.872</td>
<td>0.834</td>
<td>0.804</td>
</tr>
<tr>
<td>1941</td>
<td>1.121</td>
<td>1.059</td>
<td>0.979</td>
</tr>
<tr>
<td><strong>Average 1934–1941</strong></td>
<td>0.797</td>
<td>0.767</td>
<td>0.756</td>
</tr>
<tr>
<td>1942</td>
<td>1.531</td>
<td>1.425</td>
<td>1.262</td>
</tr>
</tbody>
</table>

*1926–1931 Revenues have been adjusted to include the Buffalo, Rochester, & Pittsburgh Railway and the Buffalo & Susquehanna Railroad with the Baltimore & Ohio, as the BR&P and the B&S were merged into the B&O on January 1, 1932. Otherwise, the B&O index base would be misleadingly low and its 1934–1942 index numbers would be too high.

Sources: B&O Annual Reports (B&O); Moody’s Investment Manual, Steam Railroads (PRR, BR&P, and B&S); Interstate Commerce Commission, Statistics of Railways in the U.S. (Eastern District).

The debt modification thereupon was put into effect, and the company avoided bankruptcy. Secondarily, but of great future importance, under the terms of the modification the company established a sinking fund with which to eliminate $100 million of its bonded indebtedness. There is some irony in the fact that Willard’s last major action as president of the Baltimore & Ohio was to accomplish, under duress, that which might have been properly among his first.

The company was saved from receivership, but the matter had hung so delicately in the balance that had the B&O been financially any weaker, the matter might not have been so felicitously resolved. Without the CTP, the B&O would have been just a bit weaker; without it, then, Willard might not have succeeded. So the CTP, despite its relatively small numbers, might have played a critical role in the prevention of a major financial disaster and in the relief of future financial burdens. That alone would have made the CTP worth the effort.

But even beyond such matters of measurable dollars and cents, there were...
the CTP’s long-term intangibles. Was the CTP more successful as a builder of enduring company spirit than as a direct generator of traffic? It probably was. In an article entitled “I Located That Family Spirit Everywhere,” published in Baltimore & Ohio Magazine in April 1944, the magazine’s new field editor, Inez M. DeVille, practically gushed about what a lively and loyal community she had found the B&O to be in her first year on the job.\(^3\) Surely there were those who did not share the spirit; the strains of the Depression may have increased their number. But it appears that a majority of B&O employees at least to some degree still did have it, past layoffs and increasingly assertive unions notwithstanding. Throughout the 1930s and 1940s, the B&O enjoyed a widespread reputation for being the best in the East with respect to passenger service variables that were especially dependent upon employee conscientiousness—particularly timekeeping, courtesy, attentiveness, cleanliness, and food quality. Such a reputation bespeaks high employee morale and sense of commitment. The CTP certainly played a major part in building those qualities.\(^3\)

The Cooperative Traffic Program, then, was of considerable significance to the Baltimore & Ohio Railroad. Was it of significance to anyone else? By itself, probably not much—it clearly lacks the ground-breaking independent historical import of the Cooperative Plan. But it should not be viewed by itself, because it was not by itself. It was an extension of, and closely entwined with, the more seminal Plan and prior welfare work. It was perhaps more significant as an effect than as a cause, a demonstration of the good things that could result from nearly three decades of consistently cultivating mutual respect and commitment, not just three members of the sales staff organizing local committees to persuade other employees to drum up business for the railroad. It may not have been notably innovative, but it was progressive; like its predecessors, it viewed all employees as possessing initiative and desire to improve their well-being while improving that of the company. That quality is the cord that held Daniel Willard’s package of management programs together. The package surely was historically significant, and the CTP was part of the package.