

## Boston & Maine's Cherington eyes eliminating 600 jobs to save road

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WASHINGTON — Paul Cherington, president of the Boston & Maine, suggested here yesterday the only salvation for that bankrupt railroad would

be the elimination of 600 jobs, amounting to 18 percent of the total labor force.

This would enable the B & M to operate profitably, but the program would cost as much as \$35 million over a five-year period, he said.

Cherington, addressing a Federal bar audience, said that only the Federal government is in a position to supply such funds.

Unless "we grasp the nettle of labor protection," the former Harvard Business School professor told the law group, none of the various current proposals for restructuring the Eastern railroads will be viable.

"The only way that I know of reducing our forces and our jobs by anything like what is needed," he said, "is by a major program of early retirement and some sort of 'buy out' of our junior, low-seniority people."

Cherington explained that it now costs the B & M \$1 in direct payroll costs for every \$1.70 it takes in in revenue. "To operate profitably we would either have to take in \$2 for every labor dollar, or we would have to reduce our payroll costs to 85 cents for every \$1.70 of revenue."

security in future employment as matters now stand."

While acknowledging that the plant of the stricken railroads in the Northeast is much too large, he rejected the suggestion that the B & M give up its main East-West line (connecting at Mechanicville, N.Y. with the Delaware & Hudson) and let the Penn Central capture that business.

Unless a move, he added, "would put us at the mercy of Penn Central on all competitive traffic and it would essentially spell the end of the D & H..."

Much of B & M's heavy labor costs, he said, comes in the work of classification of cars and in switching. "Terminal operations are expensive and the way we handle them today makes them absolutely prohibitive, given today's manning requirements and wages."

Collective bargaining alone will not greatly cut the number of jobs called for in present contracts with the railroad, he said, and there is no chance that the unions "will bargain away more jobs, except for some major quid pro quo."

Thus, he continued, "any program in this area must be compounded of three elements:

"(1) A liberal early retirement allowance for the older men; (2) A guarantee that men below them on the roster will be able to have a good job until they retire; plus (3) A separation allowance for some of the younger men who have relatively little