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Unionism at Eastern Airlines*

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Interview with Charles Bryan, President, District 100, I.A.M.

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Abstract

[Excerpt] "The long-term success of any corporation is fundamental and necessary for the success of the union. So to put your head in the sand and say, 'I just want to pull my head out when I can, slam my fist on the table and make my demands,' that, I think, is Dark Ages thinking. I want that responsibility. I want to be a part of the decision-making, so that I can be sure that wages be given priority in the distribution of revenue, for example. That was probably one of the most important discoveries that we made."

Keywords

IAM, District 100, Eastern Airlines, negotiations, Charles Bryan



Interview

with

Charles Bryan

President, District 100, I.A.M.

MCLR: What difference do you think it made in your negotiations with Eastern that you were working with Abrecht and Locker and Randy Barber on developing an understanding of Eastern's financial condition?

Charles Bryan: Our credibility was extremely high and that was the key to our success. Our credibility was totally dependent on the intelligence we had coming in from that kind of research. It was tremendously valuable. We were dealing with Frank Borman, commander of Apollo 8, the very first flight that ever went out to the moon. That is a hell of a national hero to be put up against, and his credibility, you just wouldn't dare attack it. We turned that around.

Q: Some people argue that if you start getting involved in the company's finances, you will have to accept the legitimacy of their needs. And you will lose the ability to act independently for your members. How do you answer that?

Bryan: The long-term success of any corporation is fundamental and necessary for the success of the union. So to put your head in the sand and say, "I just want to pull my head out when I can, slam my fist on the table and make my demands," that, I think, is Dark Ages thinking. I want that responsibility. I want to be a part of the decision-making, so that I can be sure that wages be given priority in the distribution of revenue, for example. That was probably one of the most important discoveries that we made. In 1977, 42½% of all revenue at Eastern Airline went for wages and benefits. That kept eroding each year through Borman's cost-cutting program. Their projection for 1983, prior to our contract settlement, was 34½% of revenue for wages. With Eastern's revenue of 4 billion, that translates to \$320 million bucks that they eroded. The way I see it, you got to know all that there is to know in order to keep them from getting into your pockets, and taking the employees' share of the corporation revenue.

Q: Were the members of your bargaining committee and activists in your union able to understand the corporate research? You didn't become reliant on experts?

Bryan: No, we certainly maintain our control. And veto whatever might be suggested that we don't agree with. There is no question on anybody's part that the leadership of the union is in charge. And we're not allowing ourselves to be overwhelmed by the academics if that is your question. We have conventions every two years. The audience at those conventions have been radiant about the panels and presentations about our research.

Q: What happens if your own auditors come in with a report that shows Eastern is in as bad a situation as Borman contends and that it is on the brink of going out of business?

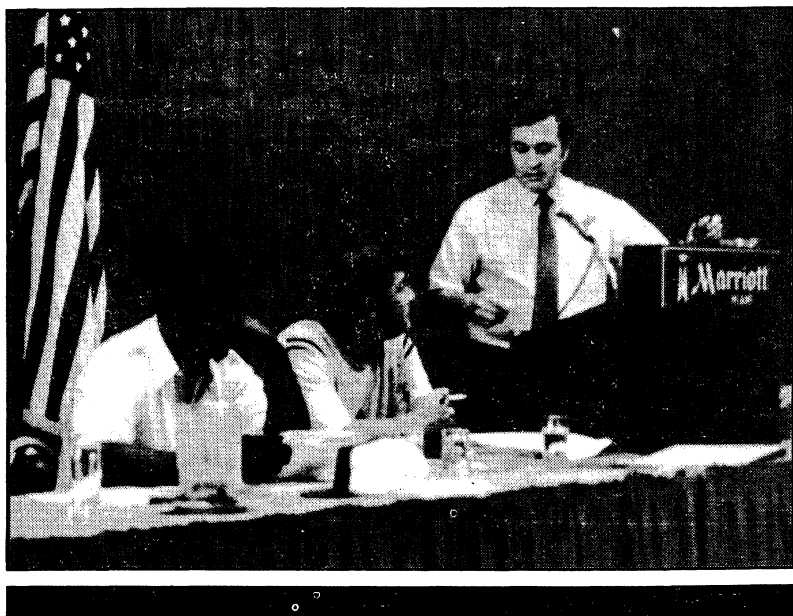
Bryan: Well, first of all, we are not just looking at numbers on the balance sheet. We are looking at causes, not just the effects. And some of the remedies are certainly going to address themselves to correcting those causes of those conditions.

Q: In the past, you've claimed that Borman was juggling the figures. . . . But now you've said "you get your auditors and we'll get our auditors." Doesn't that indicate that perhaps there is some concern on your part as to the current status of the company?

Bryan: There's no question that they have a financial problem. Our point is that it's one of their own creation and they must adjust the causes and not just keep coming to us to remove the effect or to subsidize the effect. The biggest single cause of their problems is their repeated threat to shut down. I think beyond that, there's been a major redundancy of leadership positions at Eastern Airlines. To give you a little detail about that, the union ran an analysis of Eastern where in certain areas of the country the company has one supervisor for each four or five workers. That is just an unbelievable ratio. They should have just one supervisor for maybe 40 or 50 or 60 workers and just let the lead man under our contracts run the crews.

Q: There are comparisons that show airline clerical workers and janitorial employees are paid considerably more than those in similar jobs in other industries. How do you justify this?

Bryan: First of all, perhaps our janitorial workers are higher paid than maybe someone who works in a small private business or someone sweeping up or cleaning buildings. But our janitorial people



are almost the same as what they would call laborers in the construction industry. They do a lot of moving of equipment and major relocation of equipment and furnishing, they drive trucks and handle the responsibilities related to any of the logistic movement of equipment and materials and so forth throughout the company. The construction people have those same parallels in their labor work force and I think probably make very close to what our shop laborers make—that's what they are called in the contract. Surely you can go out and find people who work for less and say, "Look at that comparison" as why Eastern is losing money. But we just do not accept the premise that people should be treated as second-class citizens because they aren't technicians in this society.

Q: What do you think can be done about the huge debt Eastern faces now?

Bryan: I think that if Eastern moderates its expansion—I believe they will because we've got a terrific modern fleet of aircraft now—and reduces expenditures for equipment and facilities over the next several years, they will pull out of this debt situation in the next three or four years. They actually have a very well-balanced debt-equity ratio and all those covenants that the bankers look at. I really have

confidence that Eastern will solve its debt situation in the next few years.

Q: What about the new airlines that have been coming in with non-union contracts and apparently grabbing the most attractive routes?

Bryan: Well, there's been a lot said on the new entrants or predator airlines. They keep alluding to the labor being a big difference, which it is, and there's no question about that. But I just can't accept that labor is the one big issue. It's the entire scenario of the quality and excellence of the airline industry. The major trunk carriers are buying new aircraft and paying premium prices of \$30 million and up for new technology, new state-of-the-art aircraft. These predators are getting the old used aircraft, the ones that they'll just patch up or cover up or whatever they can to keep them flying. The fallacy of this whole thing is: Why should United, American and Eastern and those other carriers bear the whole burden of all the development costs for the airline industry? Then these new up-starts, which try to blame it all on the labor costs, benefit by coming in with these new cut-rate fares and destroy the ability of the major trunks to continue developing new technology and purchasing the new equipment. I think the answer to that whole thing is to have a floor for the price per seat air-mile that they cannot break through as far as fares that are necessary for the financial stability in the airline business. It's a dangerous scenario that is eventually going to tell its tale through tragedy. And I hate to see that happen.

Q: Is the Continental Airlines bankruptcy a trendsetter in the industry as an anti-union means of reducing the size of the staff and lowering salaries?

Bryan: Continental Airlines is going to be a huge failure, and I don't believe they are going to set a trend. I think they are going to send a message. And I think the message is going to be that a phony bankruptcy to get rid of labor contracts just will not work. And I don't believe that the public will accept the cheapest labor force and the cheapest aircraft and the cheapest operation for safety and technical support that's needed for flying. □