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### **Machinist vs. Mismanagement at Eastern Airlines**

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## **Machinist vs. Mismanagement at Eastern Airlines**

### **Abstract**

IAM 100 leaders interviewed by Paul J. Baicich.

### **Keywords**

Eastern Airlines, Air Line Pilots Association, Transport Workers Union, IAM



# Machinists vs. Mismanagement at Eastern Airlines

■ *IAM 100 Leaders Interviewed*  
by Paul J. Baicich

Mismanagement has been raised to a high art at Eastern Airlines. Since 1983, *Fortune* magazine has conducted a survey measuring the "most and least admired" corporations. Eastern Airlines (EAL) has consistently been among the "least admired"—near the bottom of *Fortune's* list in such categories as "innovativeness," "quality of management," "ability to attract, develop and keep talented people," and "use of corporate assets." Clearly, something has been wrong at EAL. And, union members there tried to do something about it.

Eastern is a company which for the last few years has had increasing passenger loads and growing revenues. Yet management has consistently maintained that it could only make ends meet if employees gave up wages and benefits. As a result, management has put enormous pressure on the workers—union and non-union alike—to make concessions. Indeed, these same management complaints against labor costs have been heard throughout the airline industry. This industry-wide chorus—accompanied by the onslaught of deregulation and new, non-union carriers—continues while mergers in the industry proceed apace.

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• Paul J. Baicich works at Washington National Airport and is recording secretary of IAM Local Lodge 796.

By and large, one airline union after another has given into the demands for concessions, but the scene at Eastern produced a new twist. Rather than simply give up wages and benefits, unionists questioned management's priorities in squeezing wages to create savings. Instead, they insisted on searching elsewhere in the corporation for real waste. District 100 of the Machinists took the lead at EAL, and they were followed by the other two unions on the property—the Air Line Pilots Association (ALPA), representing the pilots, and the Transport Workers Union (TWU), representing flight attendants.

The crucial event in this story was the EAL bankruptcy scare of late 1983 and its outcome. Machinists agreed to an 18% cut in wages for one year in exchange for stock ownership and a say in running the airline. This contract approach was pioneered by the IAM, and ALPA and TWU made parallel arrangements. (See *Labor Research Review* No.'s 4 and 5 for background on the struggles that preceded this agreement and for a debate on the pros and cons of the Machinists' contract.)

Among the tenets of the IAM-EAL agreement, which the union called "Programs for Positive Action," were a number of items that enabled the union to address the issue of mismanagement. Some of them were:

- *A union right to review and approve the company's business plan.* The business plan for 1984, an outline of Eastern's goals for the year, was somewhat revised with the intention of identifying non-essential and potentially wasteful expenditures. This union right was for one year only.
- *Unlimited access to all company financial information.* This valuable tool provided union access to details concerning the company's condition and finances. The company made this information available, both voluntarily and upon request, at least until mid-1985.
- *A right to participate in the design of new facilities and in redesigning existing ones.* This created a union right to address poorly conceived facilities, but at most stations management behaved as if this proviso had never been agreed upon.
- *A seat on the Board of Directors.* Union representation on the Board provided official, public recognition of the company's agreement to allow union participation in decision-making. It increased union knowledge of the company's plans and its ability to react to them. On the downside, it forced the Board's Executive Committee to make important decisions without the

full knowledge of the entire body, thereby excluding the employee representatives. It also created situations where union representatives were prevented from making public the discussions and decisions of the Board.

- *A revision of lead/supervisory responsibilities.* In order to reduce the number of supervisors, there was an effort to confer more responsibility, accountability and decision-making on the unionized "lead worker" on each workcrew. At locations where the union structure and traditions were strong, the IAM was able to take advantage of this provision.
- *The creation of an "employee involvement" program.* This was a QWL-type operation with all its attendant risks. It was most successful when it worked in tandem with the following item.
- *A policy of "contracting-in" work.* The major thrust of this important policy was the union desire to bring additional work in-house, leading toward more job security for the unionists at EAL as well as savings for the company.

Exactly when this process of experimentation came to an end is up for debate. Some union activists maintain that it was over on January 1, 1985, when management refused to let the 18% wage cut "snap back" to negotiated levels. While the company was forced to relent on this particular issue, the unilateral holding of wages clearly had poisoned the atmosphere at Eastern. Much of the workers' momentum toward correcting company mismanagement collapsed after January 1985.

Choosing another date for collapse of cooperation, Charles Bryan, the President and General Chairman of IAM District 100, maintains that the "idea we had of developing complete trust between labor and management with a culture of co-determination ended with total betrayal by corporate power brokers in the night of February 23, 1986." That night the Board of Directors, over the objections of employee representatives, sold EAL to Texas Air Corporation. Texas Air is run by Frank Lorenzo, the airline industry's No. 1 union-buster.

Despite highly irregular procedures, union charges of insider trading, and union attempts to make a counter-offer to buy Eastern through a leveraged ESOP, the deal with Texas Air was sealed at a sham stockholders' meeting in late November 1986. On November 27, 1986, "Eastern Airlines" disappeared from the New York Stock Exchange. It is now part of Texas Air.

Whether one accepts the January 1985 date or the February 1986 one as marking the demise of the Eastern experiment, the ways

the IAM addressed the issues of mismanagement are instructive. Indeed, there were even adjustments and alternate plans hammered out between those two dates which illustrated the union's willingness to continue to address mismanagement. High on that list was the Efficiency Credit Team (ECT) concept, which was agreed upon in the revised IAM-EAL contract in Spring 1985.

The ECT was designed to have the union identify and implement expense reductions and productivity ideas at the workplace in exchange for wage raises. The IAM was eager to engage in this plan because it had been so successful in previous "contracting-in" and waste-finding projects. The problem was that by now management had caught on and was reluctant to give the IAM credit for savings found. Management fought crediting the union for cost-saving ideas at every turn, and this policy was altered in late 1985, allowing for minor wage increases regardless of the ECT crediting.

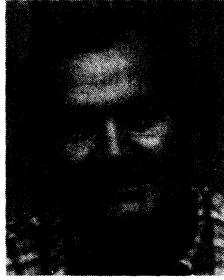
Some critics of this entire approach have maintained that the union has no business interfering in what have been considered management prerogatives. Others maintain that getting bogged down in these affairs diverts union energies and talent away from activities which address root causes of labor's decline in the air transport industry—efforts like organizing the unorganized in old as well as new carriers, forming patterns of solidarity and coordinated bargaining among the varied unions, keeping a strong focus on reasserting unionized industry standards, and launching a political campaign over our national transportation policy (including the issue of re-regulation).

Nonetheless, IAM District 100 at Eastern must have done something right. While wages and benefits at other carriers were often standing still or dropping, District 100 was able by mid-1986 to deliver the industry's highest or near-highest wages. Granted, this did not prevent EAL's takeover by union-busting Texas Air Corporation. But the IAM experience at EAL between January 1984 and February 1986 produced numerous important experiments in checking mismanagement.

The impact and significance of these experiments was the subject of a *Labor Research Review* interview with the following IAM 100 leaders: Charles Bryan, president and general chairman; Russ McGarry, vice-president and general chairman; Chuck Conner, directing coordinator of the Efficiency Credit Team (ECT); and Joe Imperatori, Local 702 shop steward and ECT coordinator.



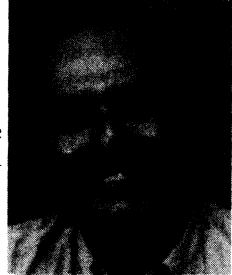
Charles  
Bryan



Chuck  
Conner



Russ  
McGarry



Joe  
Imperatori

**LRR:** Is there anything left of the Machinists' "Programs for Positive Action" at Eastern?

**Bryan:** The entire program remains, as it relates to being in the contract and still being officially in force. But by contrast to it being 100% in effect technically by contract, it's 0% in effect as far as being accepted or honored by the current management. It's essentially defunct as it relates to the current management, and it really started to be ignored by the company in about September 1985, when it was obvious the company was being geared up for the Texas Air take-over.

**LRR:** One of the key Programs was designed to give union "lead workers" responsibilities previously reserved for management. Why was this important to the union, and how well did it work?

**McGarry:** We felt the union had lost a lot of its leverage because the leads in years past had been the experienced people that kind of brought along the people under them, almost through a type of apprentice program. People were able to be taught by the people from within the bargaining unit. Over a period of time, the leads were programmed by management to disassociate themselves from the people—we found that to be the case. And what you had then was an increased amount of supervision and you had the leads like middle-men, who were basically signing time-cards and



not allowed to assign people their work and also not allowed to provide training.

So all the training and all the assignments and all the close work that would be done normally within the bargaining unit was being done by supervision. We got into the mode where we found we had one supervisor for every 4.6 people, which was totally ridiculous.

We looked back and talked to a lot of the older leads and interviewed people at different stations and everybody said, "There's no respect from management for the lead because they have taken his responsibilities and there's no respect from the people because they know he isn't allowed to do anything."

So, we thought we would try as a way of cutting down on the supervision—it wasn't so much to give the lead more responsibility, but to give him more respect and bring him back to where he was leading, directing and working with the people. That was the goal.

**LRR:** How well do you think it worked?

**McGarry:** Well, it worked better in maintenance than it did in ramp service. Mainly because the middle-management in maintenance at the time was more receptive and less apprehensive about their jobs. What we found in ramp service was that right away management perceived it as us trying to take their jobs. Which was a foolish assumption because it doomed the program to failure before it had a chance to really begin.

We had proven to the company that the IAM could save dollars and be efficient. But management never seemed to grasp the concept, and now management seems to be turning around and saying to the leads, "Well, we're going to give you *all* the responsibilities. We're not going to give management anything. And if the operation proves inefficient, you will be responsible for it and you will be disciplined for it."

**LRR:** So they're turning it back on the union at this point?

**McGarry:** Exactly. Management has brought in union-busting attorneys and, in the fashion of corporate America's thinking today, seem intent on crushing organized labor instead of allowing worker co-determination as our major competitors in Germany and Japan are doing. Those countries, by the way, are heavily unionized.

**LRR:** How was the "employee involvement" program structured? During its brief life, was it a success or a failure?

**McGarry:** First of all, I really was not heavily involved with the

employee involvement (EI) program when it first started out. I kind of picked up on it in the middle. I got involved after we had had some problems with quality circles (before the 1983 contract), where management was using it as an anti-union tool.

So we started to develop our own program. We were trying to convince the people that if the union used EI towards its goals of collective action, more communication, more action within the union itself, that we could become stronger, but we could also better the way of life of our membership by creating a safer environment and improving the quality of worklife, with better benefits for all of us. That might have been rather idealistic, but that's really what we were working towards—the "co-determination" type of thing that we gave Japan and Germany after World War II.

**LRR:** The "employee involvement" program as such came after the quality circles business and was part of the 1983 Programs for Positive Action. And that's when you got involved?

**McGarry:** Right. As I said before, we tried to restructure it and tried to take out the anti-union provisions. And there, once again, I honestly believe that the thing that hurt us the most was that the middle management never bought into it. You had the lower people on the floor who really cared that they worked in a safer environment and were trying. You had the leadership saying we're behind it. But you didn't have enough mules out there to pull the wagon anywhere.

Sometimes we separate ourselves into levels where we get away from the floor. European unions have been successful in keeping their presence on the floor where people see it at all levels, and they feel a close assimilation to it. I think we've lost some of that, and I don't know how we're going to get it back in a hurry.

**LRR:** During 1984, the Contracting-In Committee found many jobs being contracted out that could be done at lower cost by union members in-house. Under the union contract, how were you able to force management to bring those jobs in-house? Did you have to prove that they could be done less expensively?

**Conner:** Let me give you some background on that. One of the reasons this whole contracting committee got established was because, as you know, the company kept coming to the union asking for concessions because they weren't making any money. And Charlie [Bryan] kept telling Frank Borman [then Eastern CEO], "We hate to keep financing mismanagement." Apparently over a period of years Borman decided to take him up on it, and

# ● **Machinists Saved**

■ *Stephen B. Abrecht*

In December 1983 the Machinists at Eastern Airlines agreed to a contract which stipulated, among other things, that in 1984 the union would work with management to identify and implement \$22 million in cost savings that did not affect pay rates and benefit levels.

It was no secret that Eastern was riddled with inefficiencies, many of them in maintenance and ramp service where Machinists could directly observe them. Mechanics could reel off a litany of costly company policies and practices, many of them stemming from years of management obsession with fighting its unionized workforce.

The union and management established the following ground rules for the Cost Savings Program:

1) The union appointed four members full-time to implement the program, with all costs being borne by the company.

2) The union had complete access to inside information, including budgets, inventory records, supplier contracts and engineering orders, to enable it to identify and cost out individual projects.

3) Management had to cooperate fully in costing out and implementing projects, and any project that proved economically feasible had to be implemented.

4) Any capital investment required by a project had to be recovered within the first year.

5) The target of \$22 million for 1984 was not binding, and there was no financial penalty or benefit to the union if it fell short or exceeded the target.

By management's own accounting, the program more than met its 1984 target, saving \$26 million for the company in one year. This amounted to more than a 5% reduction in labor costs without reducing any union member's standard of living.

The initial Cost Savings Program ended January 1, 1985, but the union continued its cost saving efforts and eventually negotiated a new program, called the Efficiency Credit Team (ECT). ECT put the savings directly into the IAM wage base, and for this and other reasons the company stalled, delayed and eventually destroyed the program, as management went back to fighting the union at every step.

During the approximately one and a half years that one or the

# \$137 Million at Eastern

other of these programs was active, the union saved the company \$53 million on an annualized basis. Many of these savings recur year after year, meaning that from January 1984 to January 1987 the union provided a total of \$137 million in cost savings.

These cost savings were achieved basically in the following five areas:

- **Contracting-In:** Parts repairs, component overhaul, facility cleaning, and printing were some of the major functions that were brought back in-house. At all major airlines certain specialized or unusual repairs are performed by outside contractors, but at Eastern contracting-out had become a management labor relations policy to fight the union.

- **Repair versus Replace:** An expedient but costly policy which had mushroomed in previous years was to replace a used or broken part with a new one rather than service the old one. From management's narrow perspective, this policy provided the double "benefit" of ease in writing a check to a supplier rather than managing the job in-house, while cutting down on the number of unionized employees. The real expense to the company developed gradually and invisibly. Besides the excessive cost of each individual replacement, the company had developed rooms full of serviceable excess bolts, brakes and other parts. Because these parts were never repaired and put back in inventory, they remained invisible to the upper levels of management who monitored the company's performance through reams of inaccurate computer printouts.

- **Manufacture versus Purchase:** Similar to repair versus replace, management often overlooked the in-house labor skills and tooling capabilities for manufacturing their own parts.

- **Rebid Supplier Contracts:** Stock clerks looked into the prices charged by suppliers for many of the thousands of parts purchased by Eastern. Checks with local hardware stores or friendly clerks at other airlines uncovered excessive prices. One project dealt with a small air-conditioning filter for which Eastern was being charged \$5 a piece. From a local supplier the IAM procured the identical part for 3 cents a piece.

- **Labor Force Reductions:** These reductions were agreed upon jointly by union and management and were achieved through attrition and cuts in planned new hiring.

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• Stephen B. Abrecht is executive director of Abrecht Associates, Inc., a research and consulting firm for labor unions. He has been working with IAM District 100 since 1982.

have us prove it to the company that they were mismanaging.

So, they got together Buddy Sugg [chair of the Combined Shop Committee at the Miami Base] and EAL's director of labor relations to kick some of the walls down that they'd built up over the years to farm our jobs out. When they did that, Joe Imperatori and myself volunteered to be part of it because we had both seen such waste at Eastern we thought we could help.

The company and the union laid some guidelines down. Like the cost to Eastern for a fully allocated mechanic. If you were going to determine how much a job was going to cost to bring in-house, you have to determine how long it's going to take a mechanic at Eastern to do it. We agreed to a \$45-an-hour flat minimum rate for a fully allocated mechanic. This includes his insurance, benefits, everything he had going in addition to his salary, plus part of the supervisor's salary, the overhead for your lights, stuff of that nature. So, if we were going to look at a job, and we determined we could do it in three hours, we'd multiply that times \$45, plus the price of the materials, and then we'd compare that to what the outside vendor was charging us. If we could show it was cheaper to bring it in-house, they were obligated to bring it in.

And then there was like a trial period, where after three or four months the supervisor and division comptroller reviewed the project to determine if the project was working out the way we thought it would. If not, then they could ship it back out again. But that never happened. Out of all those hundreds of projects, they never found one where they had to ship it back out. And in most cases, it saved them more money—we were very conservative—than we initially put down.

**LRR:** In mid-1985, the Contracting-In Committee was replaced by the Efficiency Credit Team (ECT). Why was this change made, and how was the ECT different from the Contracting-In effort?

**Conner:** It evolved from the Contracting-In Committee, which was more of an informal situation, to a contractual item. It was Charlie's vehicle to help Eastern recoup some of their losses and for us to recoup some of our salary through saving money for the company. Charlie saw the potential of a lot of waste we were identifying, and he thought it would be good for the company and the IAM to formalize this into a contract.

**Imperatori:** Basically, it was to recoup our wages. By us looking at waste and cost savings, the membership would recoup their wages. Under the Contracting-In Committee, we were not

recouping our wages.

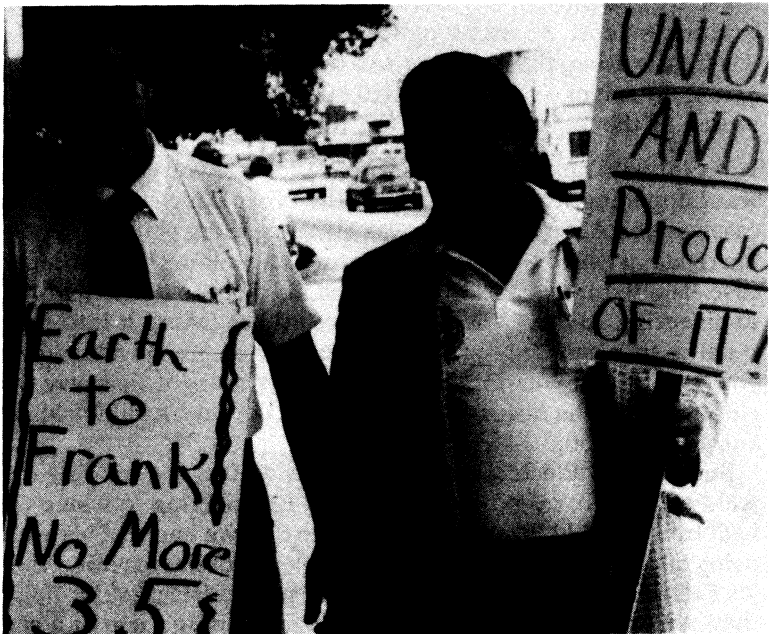
**Conner:** In the Contracting-In Committee, the savings were all gratis to the company.

**LRR:** The company is ignoring the ECT now, isn't it? Does the ECT still exist?

**Conner:** Yes. We had sitting on the comptroller's desk for the last six or eight months about \$3 million worth of cost-saving suggestions. The comptroller was busy with the take-over and the new '87 business plan and all, but we just got a letter from him and they accepted every one of the suggestions. As of this moment, we just gave them another \$3 million gratis.

**Imperatori:** Yeah, we're not getting one penny back for that cost saving.

**Conner:** And even though we're giving them these cost-saving ideas, I've got a half dozen grievances against the company because they're violating the contract on ECT as far as giving us information to help us save them money. They refuse us any information whatsoever. They've thrown us [the ECT] off the property (our office is now at the local lodge), they refuse us any information,



and they've told everyone in management not to talk to us—and yet we're still saving them millions of dollars.

**LRR:** According to union researcher Steve Abrecht, these two efforts found some \$137 million in cost savings over three years. Can you give some examples of the sorts of things that saved that kind of money?

**Imperatori:** The first project I got involved in was the heat shields. What was happening was: as the heat shields were taken off the liners, instead of repairing them, they were scrapping them. They were purchasing new ones at a cost of about \$350 a piece. And each liner carried 36-a-piece heat shields, which you're talking big bucks. Over a year, you were talking in the neighborhood of about \$650,000 savings to the company, because we were able to repair them for about \$20 or \$25 a piece.

**Conner:** First stage turbine vanes on a JT8 engine, which is on your 727 and D-9 aircraft. We were for a long time doing repairs on them in-house, and for some reason over a period of years, we quit doing them. We were just scrapping them, instead of overhauling them. And then for a long period of time, we were sending them out to a vendor to get them overhauled. When I started looking into that, it turned out we could do the process—cause we had most of the tooling and expertise in-house still—for a minimum cost. So we brought them back in-house, and did the welding, cutting, the stripping and the new plating, and we were saving ourselves a little over \$319,000 a year. That's an example of one of the very first projects I did.

**Imperatori:** There was another project I was involved with. What was happening was that on one of the inner flanges of the outer cases on the A300 engines, it was always getting cracked. Under the repair, it called for a titanium fixture for welding this particular case. The fixture cost \$11,000 a piece. So, I got together with the Engineering, and we tried to get around not taking it into heat-treating after welding—in other words, doing a green weld, where you weld it and you don't heat treat it. By doing it that way, we eliminated all the heat-treating fixtures. Like you're talking about another \$50,000.

But General Electric was charging us \$7,000 for welding one weld on each case. When I finally got Engineering to waive the heat treat, then I looked at another case that we had that we were using another ring for welding the cracks. I got the machine shop [at Eastern] to make a fixture for that particular case. By doing that, we brought in the cases, and we're welding them at a cost

of about \$500 a case, compared to what GE was charging us, which was \$7,000.

**Conner:** Eastern management was amazed at what we did—just a few of us, just three mechanics and a stock chaser and the director of labor relations from Eastern. They were very surprised that we could do that much. So they put together their own group of people—professional engineers, a man from the purchasing department, a man from inventory management—and put them up in a room there and gave them the name of Material Value Analysis Group. Their charge was to do exactly what we had been doing for almost a year.

**LRR:** So this was a professional rival operation from management's side?

**Conner:** Absolutely. We weren't told about it or nothing. The first thing we found out about it, they had bulletins all over saying that if you've got cost-saving ideas, call this number.

So, guess what? After about three or four months, they weren't making enough cost savings to justify their salaries, much less getting the millions of dollars of savings. So, they started coming to us, asking if we would throw some jobs their way so they could look good.

And at the same time, they started going down on the floor and trying to rob the ideas from our membership and take credit for it. So, Joe and I kind of froze them out by passing the word down there that if you tell those guys the information, we won't get credit for it. So we got our guys to quit talking to them mostly—to the point that the manager of that group came to me and made me an offer that if we'd blend the two committees together, he would subordinate himself to the director of our committee and his group would take orders from us, just so they could stay in existence.

At the time Charlie was negotiating the ECT in the contract, so he wasn't interested in that. So they finally went by the wayside, and they never made enough to justify their monthly salaries.

**LRR:** How many jobs do you figure these programs created or saved?

**Conner:** We never evaluated that. It would be a hard one to figure out. I'm sure it kept mechanics from being laid off. It definitely gave job security against the potential for a lay-off. But I really don't know how you'd put a number on that.

**LRR:** Cutting operating costs is usually a management function, and often comes down to a "speed-up" of one sort or another. Did



you ever get the sense that the ECT was becoming too committed to reducing costs, to the possible detriment of working conditions? Did you experience any conflict in your roles as cost-cutters and unionists?

**Conner:** We didn't evaluate jobs so much for ergonomics or their work habits. What we did basically was evaluate the jobs that outside vendors were doing versus what we could do in-house—not the jobs that were already in-house and how they were doing it, to see if they could do it any better. We never really got involved in that.

We did get into standard practice and policies and procedures of how Eastern was managing the company inside, as we got more proficient. Such as how they were storing inventory. We found out they were losing millions of dollars in inventory management procedures. We wrote volumes of how they were mismanaging their inventory—losing it, double-charging it—and they corrected all that and we got credit for several million dollars on that.

But to answer your question: No, I don't think we lost sight of what we were doing to the point where we jeopardized either safety or increased the speed of the individual working. We didn't get involved in that aspect of it.

**LRR:** Charlie Bryan, you were on Eastern's Board of Directors for almost three years. How did that go? Were you able to fully participate in the Board's discussions and decisions? Or did other board members keep information from you and make decisions in the Executive Committee?

**Bryan:** In the beginning, the directors were very respectful. They seemed to express considerable respect for the input I contributed to the board. But every time there was a crisis, of course, they supported their chairman, Frank Borman.

At the end of 1984, for example, I requested an emergency board meeting to discuss Borman's violating the labor contract by reneging on the commitment to restore the 18% wage cut on January 1, 1985. The board meeting took place within five days, which I thought was very responsive. By the same token, when that board did get together, they were unanimously in support of Frank Borman's action of violating the contract. So while they were very respectful about calling the meeting, they consistently supported their chairman. There was no deviation from that pattern.

**LRR:** What kinds of conflicts did you experience between being a stockholder representative and a worker representative? Were



you ever concerned that you might get so wrapped up in Eastern's fate as an ongoing business that you'd lose your identity as a unionist?

**Bryan:** No, in no respect. And clearly the board didn't think that either. Because we had some very heated discussions on the board. It was absolutely clear to the board that I never took off my union hat. They would say, "Now take off your union hat and put on your board-of-directors hat." People frequently would say that. But I made it clear to them that my union hat was permanently on.

**LRR:** Were you able to raise mismanagement as a problem the Board should be addressing?

**Bryan:** Not only did I raise it, I made detailed written reports to the board on it. When I was first on the board, I noticed the first meeting or two that nothing I said was in any way reflected in the minutes. After I realized this, I started a practice of making detailed, typewritten reports and distributing one to every board member so there could not be any escape of the fact that it was reported to them my observations and my opinions about mismanagement.

**LRR:** You also raised, in some of the memos, questions such as

pilot shortages and other items like that?

**Bryan:** Yes, a whole range of things. In fact, there was a report I put into the board in September of 1986 about the mismanagement, and in that I made a reference to the pilot shortage and the fact that it was so inexcusable because it was a repeat of something that had happened with the same management in a Harvard case study of 1973. The case study had specifically named Borman, who was then vice president of operations; and the same guy that's now in planning, Dave Kunstler, was vice president of planning back at that time. They had actually gone through identically the same thing. They'd depended on getting some contract concessions, more flying hours, from the pilots and they didn't get them, and then they didn't have enough pilots.

**LRR:** How much of a problem was it that as a Board member you had information that you could not communicate to your membership because of the "Board confidentiality" requirement?

**Bryan:** There were certainly matters I couldn't communicate. For example, if there was going to be a new issue of stock—which there was in 1985 and I knew about that development a couple months before it happened. That's insider information, and there's no way in the world I could tell people there's going to be a new issue of stock. But that sort of thing had nothing to do with my ability to represent the people.

**LRR:** Did being on the Board cause you to be less outspoken in public than you had been previously?

**Bryan:** No, I think I perhaps felt that I was able to communicate internally, put it into the record, have an effect on the process, and therefore I would not need to go out publicly to try to force, through public exposure, reactions from the board. I was able to do it from within. So, while it might be viewed as a handicap, it was in fact an opportunity. And, I take no great pleasure in going out and bally-hooing things in the media just for the sake of getting attention. It's a tool that you can use when you have no other tool to use, but the fact was I think I had a better tool, a stronger tool, by being on the board and getting everything I needed to know and being able to make reports and criticisms to that board.

**LRR:** How do you answer the charge that the resources going to building the Programs for Positive Action at Eastern could have been better spent addressing cross-union issues in the industry—issues like organizing, coordinated bargaining, and building a case for re-regulation?

**Bryan:** First, I do not believe you can say that the energies used for something that is very important, very valuable, could have been used somewhere else. I think that those kinds of activities (organizing, etc.) should be pursued with as much vigor as you can possibly pursue them. I think that having the success of a new approach, of higher levels of responsibility for preserving job security and levels of pay, would be a credential for the organizers to go out and use to convince non-union people that the old, traditional image of the union as just wanting slowdowns, job actions and obstructing productivity and so forth are simply not true in our case—that we had a different role, a mature and responsible role, to make us competitive in a world economy, instead of narrowly focusing on a specific skill or a particular craft.

People who think that just organizing, just going out and saying “we want to organize you,” and saying that that’s good because we’re using this energy organizing, are completely missing the boat. And I think that’s why organized labor is down to 18% of the workforce today. I don’t believe that organized labor is being progressive in their thinking, in developing the highest level of respect worldwide that we need if we’re going to prevail.

If I were in a position to set policy for all of organized labor, organized labor would have major investment banking capabilities; they would have a major influence over the enormous pension funds and the access to money and the investment of money. They would certainly expand their influence on the enormous wealth in this country, the investment and directing of that wealth. And they would truly pursue a corporate culture that was co-determination, which was what we were trying to develop.

Just because our effort got beaten back, to me was very strong evidence that we were so successful I think it scared the hell out of corporate America.

**LRR:** What are the prospects for the union under Texas Air and Frank Lorenzo?

**Bryan:** I think that our position is so absolute in pursuit of putting this thing right, through the courts and doing it in a business-like way, that I wouldn’t even contemplate anything to the contrary. As it relates to the near-term, in dealing with Texas Air Corp., I think that Frank Lorenzo’s absolute and total contempt for organized labor is such that there will be no harmony or cooperation from him and, therefore, none going back to him. ■