1954

Northeast Airlines, Inc., an analysis and evaluation of its public relations policies and practices,

Beach, Robert Anderson

Boston University

https://hdl.handle.net/2144/8529

Boston University
NORTHEAST AIRLINES, INC: AN ANALYSIS AND EVALUATION OF ITS PUBLIC RELATIONS POLICIES AND PRACTICES

By

Robert Anderson Beach Jr.
(A.B., Baldwin Wallace College, 1950)

William Edward Boles
(B.A., The University of Akron, 1951)

Submitted in partial fulfillment of the requirements of the degree of Master of Science

1954
Approved
by

First Reader .................................................................
(title)

Second Reader ............................................................... 
(title)

i
ACKNOWLEDGMENTS

It has been the aim of the writers to develop a body of material of value to the general field of public relations, the air transport industry, the particular airline studied, and the Boston University School of Public Relations and Communications.

This study is concentrated on one airline public relations program, but related materials have been included in order that the result may be of more value to those interested in this subject.

The study began with an invitation from Northeast Airlines' President George E. Gardner to, "examine us carefully and tell us truthfully what you find." This gratifying welcome provided encouragement throughout the study and is indicative of the response from all of Northeast Airlines' employees.

Without exception, those interviewed in connection with this study were cooperative, friendly, and anxious to be of assistance. We gratefully acknowledge their individual contributions, as well as the day by day assistance of Northeast's Director of Public Relations Ann Wood whose cordial invitations to, "come get in our hair," and "pick our brains apart," indicated in the early days of the study her practice of effective public relations.

We also gratefully acknowledge the contributions of other individuals who, in many ways, made this thesis possible, as well as the consideration of the world's foremost woman pilot, Jacqueline Cochran, whose interest and cooperation launched this study.
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. THE PROBLEM AND DEFINITIONS OF TERMS USED</td>
<td>1</td>
</tr>
<tr>
<td>The problem</td>
<td>1</td>
</tr>
<tr>
<td>Statement of the problem</td>
<td>1</td>
</tr>
<tr>
<td>Importance of the study</td>
<td>2</td>
</tr>
<tr>
<td>Definitions of terms used</td>
<td>2</td>
</tr>
<tr>
<td>Air carrier</td>
<td>2</td>
</tr>
<tr>
<td>Airline</td>
<td>2</td>
</tr>
<tr>
<td>Air transportation</td>
<td>2</td>
</tr>
<tr>
<td>Northeast Airlines, Inc.</td>
<td>3</td>
</tr>
<tr>
<td>Public relations</td>
<td>3</td>
</tr>
<tr>
<td>Organization of the remainder of the thesis</td>
<td>4</td>
</tr>
<tr>
<td>II. REVIEW OF THE FIELD</td>
<td>5</td>
</tr>
<tr>
<td>Published material on airline public relations</td>
<td>5</td>
</tr>
<tr>
<td>Outside the industry</td>
<td>5</td>
</tr>
<tr>
<td>Within the industry</td>
<td>11</td>
</tr>
<tr>
<td>Previous investigations of Northeast's public relations</td>
<td>12</td>
</tr>
<tr>
<td>III. THE MATERIALS AND METHOD USED</td>
<td>14</td>
</tr>
<tr>
<td>Sources of data</td>
<td>14</td>
</tr>
<tr>
<td>Method of procedure</td>
<td>15</td>
</tr>
<tr>
<td>Treatment of the findings</td>
<td>16</td>
</tr>
<tr>
<td>IV. DEVELOPMENT AND STRUCTURE OF NORTHEAST AIRLINES</td>
<td>17</td>
</tr>
<tr>
<td>History</td>
<td>17</td>
</tr>
<tr>
<td>First in New England Skies</td>
<td>17</td>
</tr>
</tbody>
</table>
## CHAPTER

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>The airline today</td>
<td>35</td>
</tr>
<tr>
<td>Present company organization</td>
<td>40</td>
</tr>
<tr>
<td>Growth of public relations department</td>
<td>42</td>
</tr>
<tr>
<td>Present status of public relations</td>
<td>45</td>
</tr>
<tr>
<td>Company-wide</td>
<td>45</td>
</tr>
<tr>
<td>Relationship to sales department</td>
<td>46</td>
</tr>
<tr>
<td>Relationship with management</td>
<td>48</td>
</tr>
<tr>
<td>V. PUBLIC RELATIONS POLICIES AND PRACTICES</td>
<td>51</td>
</tr>
<tr>
<td>Policies</td>
<td>51</td>
</tr>
<tr>
<td>Practices</td>
<td>53</td>
</tr>
<tr>
<td>Publicity</td>
<td>61</td>
</tr>
<tr>
<td>VI. ANALYSIS OF INTERNAL AND EXTERNAL PUBLIC RELATIONS</td>
<td>63</td>
</tr>
<tr>
<td>Internal publics</td>
<td>63</td>
</tr>
<tr>
<td>Stockholders</td>
<td>64</td>
</tr>
<tr>
<td>Directors</td>
<td>71</td>
</tr>
<tr>
<td>Employees</td>
<td>75</td>
</tr>
<tr>
<td>External publics</td>
<td>75</td>
</tr>
<tr>
<td>Governments</td>
<td>85</td>
</tr>
<tr>
<td>Community</td>
<td>91</td>
</tr>
<tr>
<td>Passengers</td>
<td>99</td>
</tr>
<tr>
<td>Case Studies</td>
<td>196</td>
</tr>
<tr>
<td>Florida</td>
<td>96</td>
</tr>
<tr>
<td>Employee Meeting</td>
<td>108</td>
</tr>
<tr>
<td>Plane in bay</td>
<td>110</td>
</tr>
</tbody>
</table>
CHAPTER VII. EVALUATION OF PUBLIC RELATIONS

Questionnaire findings
Public relations department

CHAPTER IX. SUMMARY AND CONCLUSIONS

Summary of findings
Conclusions
Recommendations

BIBLIOGRAPHY
APPENDICES
# List of Illustrations

<table>
<thead>
<tr>
<th>Illustration</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Map - Northeast Airlines Routes - Stations</td>
<td>36</td>
</tr>
<tr>
<td>II. Table of Organization Northeast Airlines</td>
<td>29</td>
</tr>
<tr>
<td>III. Employee Questionnaire</td>
<td>113</td>
</tr>
<tr>
<td>IV. List of Interviews</td>
<td>17a</td>
</tr>
<tr>
<td></td>
<td>17b</td>
</tr>
</tbody>
</table>
CHAPTER I

THE PROBLEM AND DEFINITIONS OF TERMS USED

Man's conquest of the air has become one of the greatest human accomplishments of all time. Flight represents the achievement of a dream of countless generations. It represents opportunity for man's service to his fellow men in ways never before known.

Although a young industry, aviation is a giant whose growth has depended on public acceptance and support. An important factor in gaining these has been its programs to represent itself favorably to its publics.

I. THE PROBLEM

Statement of the problem. It is the purpose of this study to analyze and evaluate the public relations policies and practices of Northeast Airlines, Inc.

The problem, then, was to first discover and break the public relations program of this company into its individual parts in order to look critically at all aspects of the dealings with various publics. This has been done against a background of information on public relations in general and airline public relations in particular.

Importance of the Study. The fact that the air transport industry is, concerned with the public interests and, also, dependent on various
publics for its very existence suggests the importance of any study which contributes to this industry's knowledge and understanding of public relations.

This particular study of airline public relations in general, and the public relations of Northeast Airlines in particular, becomes important only as it contributes to a fund of knowledge and results in an increased awareness, understanding, and improved practice of public relations.

II. DEFINITIONS OF TERMS USED

Terms used in this thesis, unless the context otherwise requires, are defined as follows:

Air carrier. This "means any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation." 1

Airline. This "means any air transport enterprise offering or operating an air service." 2

Air transportation. Also referred to as air transport, this "means interstate, overseas, or foreign air transportation, or the transportation of mail by aircraft." 3

2 Ibid., p. 255.
3 Ibid., p. 6.
Northeast Airlines, Inc. This refers to a United States air carrier certificated by the Civil Aeronautics Board. Its general officers are at Logan International Airport in East Boston, Massachusetts. Founded in 1933, it operates service to 36 New England communities, Montreal, and New York City. The carrier's unduplicated route miles total 1,051 and its equipment includes seven Convairs and 12 DC-3's. The total number of company employees is 1,021, and 140 pilots are currently employed.  

Public relations. Although the term is the subject of a variety of definitions and interpretations, for the purposes of this study public relations refers to the dealings of an organization with its various publics. The formal, accepted, official definition of public relations as it appears in C. & G. Merriam Webster's Dictionary was authored by Virgil L. Rankin, first director of the division of public relations of the Boston University School of Public Relations and Communications: -

public ré-lā-tions. 1. The activities of an industry, union, corporation, profession, government, or other organization in building and maintaining sound and productive relations with special publics such as customers, employees, or stockholders, and with the public at large, so as to adapt itself to its environment and interpret itself to society.

---

2. The state of such activities, or the degree of their success, in furthering public understanding of an organization's economic and social adjustment; as, good or poor public relations.

3. The art or profession of organizing and developing these activities; as, university courses in public relations; public relations requires technical skill in various techniques. Hence, public relations officer, director, counsel, or consultant.

III. ORGANIZATION OF THE REMAINDER OF THEThesis

This thesis is organized to first acquaint the reader with published material in the field of airline public relations, and then to familiarize him with the methods used to explore the topic. Following this, background information on Northeast Airlines is provided as a basis for examining the company's public relations practices and policies. A summary of the findings, conclusions, and recommendations concludes the body of the thesis.
CHAPTER II

REVIEW OF THE FIELD

It is difficult to explain, in view of the importance of public relations to the industry, why so little has been published on airline public relations. An exhaustive search through air transport literature of three decades has revealed only a sparse coverage of the field and, for the most part, has contributed only a comparatively small amount which is of contemporary value.

I. PUBLISHED MATERIAL ON AIRLINE PUBLIC RELATIONS

Outside the industry. Airline Public Relations\(^1\) is believed to be the first and only publication devoted entirely to this topic. Published in 1942 by the School of Business Administration of the University of Texas, it contains 42-pages and is now out of print. It was examined, in connection with this study, at the Library of Congress, and a letter from the author, John H. Frederick, indicates that, "most of the material in this study was reproduced as Chapter 17 of the third edition of my book, Commercial Air Transportation.\(^2\) Mr. Frederick now heads the Department of Business Organization at the University of Maryland.

\(^{1}\) John H. Frederick and G. Rooth, Airline Public Relations (Austin, Texas: University of Texas, 1942), 42 pp.

The treatment of "Airline Public Relations" in the 1951 edition is one of the most recent discussions available on the topic and is written with a contemporary view of public relations.

In reviewing the literature in the field, the earliest published reference indicating airline public relations' origin in publicity and advertising was dated 1930. Prepared by the division of commercial research of the Curtis Publishing Company and entitled The Aviation Industry it devotes a three-page chapter on "Publicity" to the relationship between publicity and advertising.

An examination of material published before 1930 indicates that advertising has been employed since commercial aviation began in 1926. The planned use of publicity to represent the industry seems to have followed several years later.

The Curtis publication recognizes good and bad publicity over the years and points to a "need to picture the everyday operation of passenger air transport" in order to offset the impression left by unfavorable publicity. The close relationship maintained by advertising and publicity in the late twenties and early thirties is evidenced in these statements:

"publicity needs to be supplemented by paid advertising," and, "a reiteration of the less sensational but more valuable facts about aviation can be brought effectively to the attention of the public only by paid advertisements."⁴

Today's definition of publicity as "planned news" and "one practical means by which a business puts its best foot forward"⁵ is a concept just emerging among the airlines at that time.

Up until this time, both the nation's press and the airlines' publicity men had looked upon this infant industry as akin to the circus in producing razzle-dazzle headlines. It was a day thirty years ago that believed only foolhardy or courageous persons flew as passengers in the open-cockpit mail planes. As the newness wore off, however, and airlines proved themselves here to stay, the circus-like publicity tactics began to disappear. Everything in the air was no longer newsworthy to the city editor. The airlines themselves had begun to encourage sales by emphasizing safe and comfortable flying as an accepted means of transportation.

⁴ Ibid., pp.125-127.

According to Wolfe's brief history of airline "publicity" in Air Transport Traffic and Management:

Airline publicity has grown up with the air transport industry. This concomitant development can be seen through each era of airline progress with the publicity for each period recording not only the news of the time, but also mirroring its spirit and perspective. The dignity generally practiced by airline news bureaus today is the product of an established industry and is a far cry from the carnival antics engaged in during the infancy of the business.6

The present stage of public relations in the industry, then, began to be reached when publicity achieved equal status with advertising - the strategy developed to sell seats. As aviation became an established public servant in the thirties, public relations became an accepted part of the organization.

The arrival of airline public relations as an entity is seen in 1941 in a chapter on "public relations" in Blomquist's Outline of Air Transport Practice.7

Introduced with a modern definition of public relations, "the relations of a company as a whole, and the personnel within it, with the general public," this chapter outlines many of today's concepts of airline public relations responsibility.

---


This author’s concern with internal relations as “an equally important phase of the public relations department’s responsibility” shows an early awareness of one of today’s major responsibilities in this field.

According to Blomquist, the practice of airline public relations in the early forties - although aware of and concerned with internal relations - was chiefly a publicity and promotion function. In fact, his suggestions for a program call for separate divisions of promotion and publicity under a director of public relations, “responsible for the entire program of internal and public relations.” 8

Most of this chapter is devoted to practical suggestions for the publicizing and promoting of an airlines by its public relations department.

It can be seen then, that commercial air transportation and its concomitant development, airline public relations, have arrived at their state of development within a comparatively short period of time. The development before World War II was so sudden that the public was hardly able to keep pace with it. During the war years, air transportation came into its own, and aeronautical progress took place at an unprecedented rate so that at the close of hostilities, we found ourselves probably fifty years further ahead in air transport techniques and in public acceptance of this new means of getting about the world than we would have been if the conflict had not taken place.

8 Ibid., p. 335.
The fact that this is a young industry that "has made more rapid progress than has ever been made in the same period of time by any other agency of transportation" is suggested in the preface of Commercial Air Transportation as, "perhaps, one reason why the literature on the business aspects of aviation has been somewhat limited." 9 With the close of hostilities, all aspects of commercial air transportation, including public relations, needed re-examination in the light of war-time developments in order to bring the entire subject up to date.

One of the first to do this from the public relations standpoint was Saunders in a 1947 article for Air Transport. 10 This critical evaluation of "The Airlines and the Public" is a significant contribution to the literature in the field in summarizing the trend of airline public relations and pointing to what had been lacking in the field up to that time. In this post war article is one of the first -- if not the first -- references to the responsibility of airline public relations to management:

"Future improvements," according to Saunders, "show marked steady trend to vast public relations responsibility in a specialized staff headed by a ranking executive reporting directly to the head of the

---

9 Frederick, op. cit., p. v.

airline (where he) will participate in policy making activities of
the company. "Every airline," he goes on to say, "needs objective
specialized public relations guidance," and, "public will then be
serving its real function; to assist management to operate a more
efficient airline as well as to hold customers."

This article indicates the status reached at that time in its summary
of the sources of "current weaknesses" of airline public relations. These
were:

1. inadequate understanding of what the public relations job
implies;
2. faculty administrative relationships between management and
public relations; and,
3. uncertainty about what kind of public relations approaches
are needed in order to get the job done in a scientific business-like
manner.

This summary also serves to pin-point the inadequacies at that time
of the published material which, after all, is little more than periodic
reviews of changing concepts of the new and growing field.

The important relationship of public relations to airline management
which had emerged in this post war period resulted in new significance to
the material published at the turn of the century. The latter becomes
the most valuable in understanding and interpreting the topic.

Because of their enlightened concepts of public relations, the two
most valuable sources of published material to this study have been Air
Transportation Traffic and Management by Wolfe and Air Transportation
by Wilson and Bryan.  

11 Wolfe, op. cit.
12 G. Lloyd Wilson and Leslie A. Bryan, Air Transportation (New
Wilson and Bryan clearly indicate the firm footing gained by public relations in airlines and point out that, only recently have airlines begun to have some types of public relations problems that longer established industries take for granted.\textsuperscript{13} These authors discuss the important relationship to management with clearly defined purposes and objectives and give a comprehensive view of the function of public relations in the industry, including responsibility, "to know how to get the answers that management should have."\textsuperscript{14}

This view, which calls for management keeping in close touch with the public relations head, is shared by Wolfe who points out:

The inevitable result of considering the public relations man as a sounding board to interpret the public to the management has been to make public appraisement one of his principal duties. He must be able to interpret the company to the public and the public to the Company.\textsuperscript{15}

The literature in the field, then, has come a long way in a short time from advocating advertising as the only way to accurately tell the company's story (late twenties) to recognizing a complete public relations department as a requirement for today's airline management (early fifties).

\textsuperscript{13} Ibid., p. 480
\textsuperscript{14} Loc. cit.
\textsuperscript{15} Wolfe, op. cit., p. 640
I

Within the industry. Bringing the field’s literature up to the present
draws attention to a publication of the nation’s second largest airline. As
recently as July 14, 1953, American Airlines issued a Public Relations
Handbook for that Company’s sales managers.

The discussion of public relations in this handbook gives evidence
of the acceptance of the field, as well as its importance, in the aviation
industry of today.17

Further evidences of the current practice of airline public
relations were contributed by ten of this country’s certificated
scheduled air carriers for this study. These contributions range from
annual reports and employee handbooks to written statements on the
organization of public relations within the individual airlines.

II. PREVIOUS INVESTIGATIONS OF NORTHEAST’S PUBLIC RELATIONS

An examination of the public relations files of Northeast Airlines
and interviews with personnel now employed by the company indicates that
a formal study of that company’s public relations program had not been
made prior to this undertaking.

16 Public Relations Handbook (New York: American Airlines, 1943),
30 pp.

17 A copy of this handbook was submitted by the office of the director
of public relations of American Airlines in response to a request for
material to aid in this study.
Studies have been completed in other areas of Northeast's operation by outside individuals with copies filed with the respective departments. These include a brief and deficient field project report entitled, "Northeast Airlines Incorporated," which was done by a college student in 1953. None of these, however, have been specifically concerned with the public relations program of the company.

This study endeavors, then, to add to the literature in the field and to contribute a comprehensive airline public relations study to the directors and management of Northeast Airlines.
CHAPTER III

THE MATERIALS AND METHODS USED

Several factors contributed to the method used in the preparation of this thesis. Most important of these is the fact that it was done at the school of public relations and communications of Boston University which is easily accessible to the general offices of Northeast Airlines, as well as to the offices at Logan International Airport. Another factor was the cooperation of Northeast's personnel in making material readily available.

Sources of data. Data for this study was gathered from three main sources: personnel and files of Northeast Airlines; individuals and organizations outside the company, but in areas, or with interests related to it; and from sources of information on public relations in general and airlines public relations in particular, especially libraries.

Personnel of the airline who contributed to the study included: three of the eight directors of the company, including the chairman of the board who is a co-founder; all of the officers and management, including the president, treasurer, and three vice presidents; and employees in each department of the organization - treasury, engineering and maintenance, traffic and sales, and operations. This was accomplished at the general offices in East Boston; at airports in three states, representing six of the company's 36 stations; at ticket offices and the offices
of two of the company's six district sales managers, in Boston and New York; and at the company's office in Washington, D.C. One director was interviewed in Cleveland, Ohio.

Individuals and organizations outside the company included: the director of information of the Air Transport Association, and his assistant director of public relations at the association’s offices in Washington, D.C.; public relations personnel of Capital Airlines at their offices in Washington; airport management and Airport Commission personnel at Logan International Airport; and executives of the advertising agency handling the company's account in Boston.

The sources of public relations information included: material contributed by airlines in five states and District of Columbia; the Boston Public Library and its Kirstein Business Branch; Boston University libraries; the Widener Library and Baker Library (Graduate School of Business Administration) of Harvard University; the Cleveland and Akron (Ohio) public libraries; and the Air Transport Association library and Library of Congress in Washington, D.C.

**Method of procedure.** The method of procedure followed in pursuing the date was as follows:

1. interview as many people as possible by depth interview techniques about the public relations program of Northeast Airlines;
2. uncover as much information as possible by examining and collecting material published by (and for) the company and in the files of the company, and by attending meetings including weekly staff meetings of the traffic and sales department, a meeting of the Yankee Fleet Association-employee organization, and a meeting in Boston of company employees and management;

3. search for material published on airline public relations by visits to the libraries mentioned and correspondence with the public relations departments of seventeen airlines, two associations, one aviation publisher, and one author, in order to review the contributions already made to the field of study and determine its present status; and

4. prepare and administer questionnaires to Northeast's six district sales managers, thirty-six station manager, public relations director, and a random sample of company employees and passengers.

All four phases were carried on concurrently with the first three having some precedence over the fourth step - administration of the questionnaires. See Illustration IV.

Throughout the four phases, Boston University School of Public Relations and Communications faculty members, these included Howard Stephenson, chairman of the division of public relations, who served as advisor, and Wesley F. Pratzner, professor of public relations and acting dean of the school, whose interest in the thesis topic in its earliest stages continued throughout its preparation.
List of Interviews and Meetings

Following is a chronological list of the interviews conducted and meetings attended at Northeast Airlines main offices and stations while gathering material for this thesis:


4. May 11, 1954, Ann Wood, (see # 3)


7. May 14, 1954, Director of Air Cargo, William Taylor, EBM

8. May 16, 1954, Director Reservations and Ticket Offices, Earl Robertson, EBM


10. May 16, 1954, Manager of Interline and Military Sales, Charlie Lawlor, EBM

11. May 18, 1954, Yankee Fleet Association Meeting, President, Gerry Donley, EBM

12. May 18, 1954, Ann Wood (see # 3)

13. May 20, 1954, Manager of Schedules and Tariffs, Warren E. Smith, EBM

14. May 20, 1954, Executive Assistant to Mr. Gardner, Dorothy A. Tuohey, EBM

15. May 21, 1954, Warren E. Smith, (see #13)
Treatment of the findings. Each of the sixty interviews conducted over a four-month period, was typed up, analyzed for content, and then transferred to cards, and filed according to subject matter. The file which grew out of this procedure made available a collection of information on various aspects of Northeast's public relations program.

Information gleaned from published material was also placed on file cards and later correlated with the information from the interviews. This collection was then used in the compilation of the thesis.
CHAPTER IV

DEVELOPMENT AND STRUCTURE OF
NORTHEAST AIRLINES

Twenty years of air transport in New England were marked in Boston on August 11, 1953, on the 20th anniversary (1933-1953) of Northeast Airlines, "first in New England skies." The following account of those years is a forthright life-story of an airline that has stood for both service and safety, during its entire twenty-one years. It is a narrative of vision, courage, determination, and hard work, and is brought up to date by a brief examination of the company's present organization, as well as by the growth and present status of its public relations department. It forms an important chapter in the history of Aviation in America.

I. HISTORY

First in New England skies. As a fitting beginning to this history of Northeast Airlines, pioneer in New England skies, the following is taken from an address by the airline's president, George E. Gardner, delivered on November 12, 1953, at the "1953 Massachusetts Dinner" of the Newcomen Society in North America, it celebrated the 20th anniversary of Northeast Airlines with Mr. Gardner as guest of honor.

---

Looking back twenty years, which is the life span of Northeast Airlines, the headlines scream of two wars, depressions, booms, and the influence of Roosevelt, Truman, the Democrats, and taxes. Reluctant as some would be to admit it, there have been great growth and many changes that have been extremely beneficial. This airline being born in 1933 could not at the time have seemed auspicious because of the depression. Confusion, something close to despair, dominated the thinking of most businessmen. The banks had been closed shortly after Roosevelt’s inauguration. He had been elected in a campaign that had economy as a keynote. This was not an encouraging note for a young and undeveloped airline industry whose living had been provided by a generous government.

I bring this unhappy picture to mind because it emphasizes the progressiveness and far-sightedness of the New England businessmen who backed a new venture in an untried field, and the faith and pioneering spirit of the aviation people who put their experience, time, and effort into starting what was to become Northeast Airlines.

By 1933, air service, in most cases air mail service under government contract, had been established to all but six states in the Union. Three of these states were in New England—Maine, Vermont, and New Hampshire. Passengers were being carried in increasing numbers over most of the air mail routes which included three transcontinental systems, two north and south lines—one along each coast, and over a network in the Middle West. Northern New England being left out of this system made sense to transportation men in the New England area, and the Boston and Maine and Maine Central Railroads, determined to do something about it, decided to start passenger air service north of Boston.²

Represented by Lawrence F. Whittemore, recent president of the New England Council, Boston, and former president the New York, New Haven & Hartford Railroad Company, and experienced and capable group was enlisted to become the co-founders in the new flying venture. These were: Paul F. Collins, the airline’s first president and present chairman of the board, who had been one of the country’s original air mail pilots and who brought with him experience with two airlines;

Samuel J. Solomon, first chairman of the board of directors and second of the company's three presidents, who was a pioneer airport operator in Washington; and Amelia Earhart, "the outstanding woman exponent of flying of the day," first woman to fly the Atlantic, who contributed much before she was lost in the Pacific during a 1937 round-the-world flight attempt. Her prominence and authority on aviation are demonstrated by the fact that she is believed to be the only woman ever invited to speak before a joint session of the House and Senate in Maine and Vermont.

Known as Boston-Maine Airways, the airline was incorporated under the laws of the Commonwealth of Massachusetts on July 20, 1931, and scheduled operations were inaugurated two years later.

Early equipment and personnel consisted of two second-hand tri-motored Stinsons, three mechanisms, three pilots, Mr. Collins—the president, a vice-president, and a total capital of ten thousand dollars from funds put up by Boston and Maine, and Maine Central Railroads and some cash from the four co-founders.

Captain Milton H. Anderson, later vice president of Northeast and now senior Captain, was the first pilot to be employed by the company. Of the early beginning, he states, "On the 10th of August 1933, we flew the two airplanes around the circuit so that the pilots could get a look at the country and the airports, and so that the people of New England could get a look at their new medium of transportation. Amelia Earhart, a director, came along to help open the airline."
On this initial flight on August 10, the party was greeted by cheering crowds at every stop. They were met at Portland Airport by a representative group of men and women who extended a formal welcome. At Bangor, thousands turned out to roar a welcome to the famous aviatrix and the new plane service.

Air passenger service was started on August 11, 1933, the company being known as Boston-Maine Airways. That first flight was flown Boston-Portland-Bangor round trip under the supervision of company officials. The passengers were: Philip M. Payson of Portland, then president of Boston-Maine Airways, Inc.; Amelia Earhart; Paul Collins; S.J. Solomon; E.S. French, president of Boston-Maine and Maine Central railroads; L.F. Whittemore and Arthur B. Nichols—most of whom later became officers and directors of Northeast.

The scheduled stops were to be Boston to Portland, Bangor, and Waterville, Maine, and Boston. The people who gathered at the airports to see Miss Earhart arriving on the first trip, made the situation nonetheless dangerous, but on that day Northeast set the stage for a safety record which is second to none in the country.

After the first flight, regular scheduled service of one round trip a day was put into effect, and though most people in the aviation industry predicted that scheduled airline operation in New England would fail, these pioneers succeeded in doing the seemingly impossible. In the first seventeen months of operation, a total of 1,904 passengers were carried.
The regular schedule which became effective included five round trips daily between Boston and Portland, with two of these trips extended in both directions to and from Bangor.

Rugged flying conditions prevailed in New England in those early days and there was not an airport worthy of the name north of Boston. So-called "airports" were merely local pasture lands with stakes marking out the leveled-out strip areas. The runways were one thousand two hundred to two thousand five hundred feet in length and, except for Boston, totally without weather bureaus, radio or navigational aids or facilities for night flying. Northeast's efforts in constantly urging government and local officials to improve airport facilities and navigational aids have contributed to the network of airways and airports now in existence in New England.

As Paul Collins, put it, "We had a very difficult time encouraging the people of New England to fly. I don't say that it was fear of flying; it was just a natural reluctance to try this new type of transportation. The people did not seem to be in a hurry. At one time it appeared to us that the men of New England were not flying because their wives were opposed and fearful of the dangers of flight. In order to counteract this feeling, we arranged many, many trips at all of the New England cities which we were servicing by air for the wives in the communities."

In spite of the vagaries of New England weather and the reluctance of the people in that area to accept commercial aviation, the flights ran on schedule and soon the airline began to develop plans for expansion.
On October 27, 1933, a new line was established between Boston and Concord, N.H., White River Junction, Vt., and Barre-Montpelier, Vt., under joint operation of the Boston-Maine Airways and the Central Vermont Airways, which was now a company affiliate, with one round trip daily. This route extended to Burlington, Vt., on February 7, 1934, and soon afterward Manchester, N.H., also was added as an intermediate stop between Boston and Concord, N.H.

Less than a year later, on May 20, 1934, Boston-Maine and Central Vermont Airways extended service to Montreal inaugurating an international line with one round trip daily. The chief pilot, Milton H. Anderson, who was at the controls of the first plane from Boston to St. Hubert Airport in Montreal, delivered an autographed history of the City of Boston for the preceding fifty years to Mayor Ferdinand Rinfret from Mayor Frederick W. Mansfield.

This new service gave all points in Maine, New Hampshire, and Vermont overnight airmail deliveries from points as far west as Omaha, Nebraska, since this same year the company had bid for and was awarded a contract to carry mail over the air route north of Boston.

In June, 1934, Augusta, Maine's capital, became an intermediate stop between Portland and Waterville.

An important new departure in aerial express transportation was put into effect on December 3, 1934, by contract between the Boston-Maine-Central Vermont Airways and the air express division of the Railway Express Agency, Inc. Under the arrangement, a "pick-up-and-delivery" service was inaugurated at materially reduced air express transportation rates.
Scheduled flight operation continued and the early part of 1936 brought the worst New England weather conditions in years. February was a month of snow and ice storms of particular severity, interfering with scheduled operations, and March brought the follow-up floods that isolated entire communities and areas. These early months of 1936 brought Boston-Maine-Central Vermont Airways its first great opportunity for exceptional service to the New England communities. Northeast personnel remained on the job twenty-four hours a day flying food and medical supplies into the affected areas and removing the stricken and homeless to safer areas. In addition to the various forms of relief given these mercy flights added greatly to the prestige and good will of the company. "From then on, as never before, air service was appreciated as an essential service to these communities." 3

Just prior to the flood period, Boston-Maine Airways had completed installation of a two-way radio system between stations which replaced, insofar as the airline was concerned, the use of the telegraph system of the B & M and Maine Central railroads. The railroad wire service had carried all dispatch messages and reservations from the start of the service until early 1936 and although the Stinson tri-motors were not the fastest ships in airline service, old flight two which left Boston around ten a.m. often arrived in Bangor before the dispatch from Boston which was sent by railroad wire.

By the autumn of 1936 the airline improved its service by introducing ten-passenger, modern all-metal Lockheed Electras to replace its tri-motored Stinsons. It was also a big financial step.

3Ibid., p. 11.
Three Electras costing fifty-five thousand dollars apiece carried ten passengers each and a crew of two, at the amazing speed of one hundred fifty miles per hour. Northeast Airline's modern Convair Liners are priced at five hundred seventy-five thousand dollars each, carry forty people and a crew of four, and cruise at three hundred miles per hour.

By this time the airline was flying into Concord, N.H.; White River Junction and Barre-Montpelier, Vt.; and Montreal, Canada, in addition to their original routes.

In August, 1937, service was extended north from Bangor to Millinocket, Houlton, Presque Isle and Caribou, Maine. On August 7, of that year, Boston-Maine Airways filed an application with the Civil Aeronautics Board, seeking permission to extend its lines from Bangor, Maine, to Moncton, New Brunswick, to provide direct service from Boston to the Canadian Maritime provinces.

During the summer months of 1935-36-37, service was extended to Bar Harbor, Maine, and in November of 1937, Lewiston-Auburn, Maine, was added as another intermediate stop.

The railroads were obliged by the Civil Aeronautics Act of 1938 to sell out and they did at an eight hundred thousand dollar profit, and, with all goodwill, have been friendly and helpful competitors ever since.

Atlas Corporation succeeded the railroads as a major investor. With its support it was possible to finance the re-equipping of the line with DC-3's to follow the Electras in 1941, with DC-4's in 1945, and with modern Convair Liners in 1949. The existence of Northeast for more than eight years has been, according to the company, a monument to Floyd Odlum, president of Atlas Corporation, and his persistence.
Northeast established one of the first airline pilot training courses in the United States in 1939 and because of the splendid record made by these men, was later called upon to assist in the National Defense Program by presenting a course for advanced flight instructors.

Although the year 1940 opened with many discouragements for the company, due to extremely adverse weather conditions, inadequate airport facilities, and the failure of local authorities to provide snow removal devices at the East Boston Airport, the year became one of the most important in the history of the company and of aviation in New England.

In November of 1940 the last of the Stinson planes was retired and replaced by Lockheeds which made possible through service from Boston to Millinocket, Houlton, Presque Isle, and Caribou without change. On November 19, 1940, the original Boston-Maine Airways (later absorbed by its step-child, National Airways, and still later known as Boston-Maine Airways and Boston-Maine, Central Vermont Airways) came into its own natural entity when the name was officially changed to "Northeast Airlines, Inc." Although there was substantially no change in the company's officers and management, and the three railroads continued interest in the ownership of the lines, it was felt that the original designation no longer adequately described the territory into which the airline operated. President Paul F. Collins gave the following brief explanation for the change:

Northern New England's transport airlines have grown to such an extent that the original designation Boston-Maine Airways and later Boston-Maine-Central Vermont Airways now fails to properly describe the territory which our airline serves.4

---

Also, during that month, the Civil Aeronautics Board approved extension of the route from Bangor to Moncton, New Brunswick. This new international route was opened in January, 1941, providing a gateway to Nova Scotia, Prince Edward Island and Newfoundland. Service was suspended to Moncton after Trans-Canada Airlines was granted non-stop privilege between Boston and Nova Scotia.

At the same time, that the company was adding these new stations to its routes, it was also making increases in equipment. In June, 1941, three new twenty-four passenger Douglas Transport planes were acquired, the first of eight to be added to the fleet. Then came World War II and Northeast's commercial operations were sharply curtailed. Only two of the DC-3's were available to it for use during the war period, and after July 1, 1942, until October 25, 1944, after the company operated commercially only its Boston-Portland-Bangor-Presque Isle and Bangor-Moncton services, suspending its Boston-Montreal route.

Routes applied for, unsuccessfully, to extend the company's operation, have included one to Moscow across the North Pole. And in 1943, Northeast was the first to apply for the commercial use of the helicopter.

In June, 1944, Northeast was certificated between Boston and New York, with Waterbury, Connecticut, New Bedford-Fall River, and Worcester, Massachusetts, as intermediate points.

In August, 1944, and pursuant to board approval, Northeast acquired Mayflower Airlines and through this purchase obtained the Boston-Providence-Hyannis-Martha's Vineyard-Nantucket route.
This was the uncharted, unknown territory that became the North Atlantic route. Five of the ten men in the first group to fly it are with the company today and fifty nine pilots who flew the North Atlantic during the war are still on the line.

One Northeast crew of five men, including Captain Alva V.R. Marsh, who still flies for the company, were awarded air medals for their heroic service in this region. The ceremonies took place at Logan International Airport on April 22, 1944, in recognition of a rescue mission and perilous flight performed for the Air Transport Command in which this crew flew nearly ten thousand miles far above the Arctic Circle to a point north of the Magnetic Pole, circling it on the return flight. On this mission, according to a report in the company's house organ:

The Northeast fliers brought out a United States Government weather observer in need of medical treatment, took two other meteorologists to a post above the Arctic Circle, and carried more than two thousand pounds of radio equipment and food to lonely out-posts where food and other supplies had run short.5

The readiness of Northeast with know-how which the Air Force needed was quickly apparent, and, in addition to transport flying and route development, its knowledge was called on to train others for the job. Northeast established an advance training school at Burlington, Vermont, to train multi-engine pilots and navigators to supplement its overworked crews of ex-airline people. This was so successfully carried out that Samuel Solomon, then president, was drafted to head the

Airlines War Training Institute, which organized and directed training activity of all airlines and a part of the military establishment. Fred Lane, present vice president of operations, and many of today's valuable pilot personnel took an active part in all the war-time activities.

For this and innumerable instances of heroism and service beyond the normal call of duty, Northeast Airlines won the Air Force citation of which it is justly proud.

Operations for the Army were discontinued in April, 1945, and Northeast began reconversion to peacetime service.

Early in 1946, the company established itself as a major air carrier, acquiring in addition to its twenty-four passenger Douglas Transports, three sixty passenger Douglas Skymasters. These Skymasters were put into regular service and flown until August, 1950, when they were sold by the company to a west coast airline. During this period they carried an estimated total of four hundred twenty thousand passengers—a far cry from the one thousand nine hundred four passengers carried in 1933, the first year of operation. It was also in 1946 that Northeast opened four new routes: the Cape Cod and island route covering Hyannis, Nantucket and Martha's Vineyard from Boston and New York; a New York-Worcester-Lawrence-Portland route; a New York-Springfield-Keene route; and a Providence-New York commuter route.

On November 24, 1947, George E. Gardner was elected president of Northeast Airlines by a vote of the Board of Directors and became the third person to hold this office.
Late in 1947, the erection of a new one million dollar hangar was completed at Logan International Airport, East Boston, Massachusetts. In February, 1949, this hangar was dedicated to the memory of the famed co-founder of Northeast Airlines, Amelia Earhart. It now houses, in addition to maintenance personnel, all administrative offices of the airline. On display at the time of the dedication was the company’s new Convair-liner, first of five flying for Northeast. These are ships which have two twenty-four hundred horsepower, jet-assisted engines, reversible pitch propellers, integrated loading ramp, a cruising speed of three hundred miles per hour and carrying forty passengers.

Between the end of 1947 and early in 1948, air freight business was further developed by the addition of the company’s first all-cargo ships.


Highly-skilled mechanics, fully trained in all technical phases of the industry, have a reputation for not only keeping the company’s ships in perfect mechanical condition, but also for constantly seeking to improve them. In the spring of 1950, for instance, they discovered that by painting the ships’ fuselage, fins, and rudder with a coat of special white paint, the resultant glaze deflected the sun’s rays (as the aluminum surface did not), reducing the interior cabin heat in summer by twelve to fifteen degrees, assuring passengers of cooler travel during hot weather. So successful was this experiment that the white paint job is now standard on Northeast’s entire fleet of planes.
Over the years two internal problems have faced Northeast. One is a short-haul operation, and the other is a seasonal problem—"the worst in the business"—which means that traffic reaches its peak during the summer months when vacationists flock to the resort areas on Cape Cod and Nantucket, and in Maine, Vermont, New Hampshire, and Montreal. A seasonal decline begins shortly after Labor Day.

Numerous attempts to solve these problems by merger have been impossible, including a September 27, 1950, merger agreement signed with Delta Air Lines.

As a result of these problems, Northeast is one of three airlines which continue to operate on subsidy from the government. It has been justifiably stated that this is a subsidy to the smaller communities where service is necessary, but not profitable. "Just as Rural Free Delivery is a service to over twenty per cent of the country's population, this is a subsidy to the taxpayers who travel to and from those communities where traffic is light." 6

Between 1933 and 1953, the Federal Government paid the company $14,604,700 in mail pay, which by present methods of evaluation, consists of $13,819,470 of subsidy and $784,600 of compensation for carrying mail, or service pay. To lighten this load on the government and attain self-sufficiency and some return for the company's stockholders, who have never been paid a dividend, is the constant aim of the company. 7

---


7 Ibid., p. 14.
Northeast has not overlooked its debt to the Federal Government and has recognized that without government support service to many cities would not have been possible over the years.

From the government’s standpoint, subsidy has been a method of buying more of a very essential commodity for less than it could be purchased in any other way. Over the years, since 1938, subsidy has been part of a government obligation to support air service by economic regulation until the companies operating required service could become self-sufficient.

In 1951, Northeast took steps to bring about what it considers means of becoming self-sufficient by a solution to its operating problems of seasonal factor and short haul. It applied to the Civil Aeronautics Board that year for an extension of its route to Florida from New York to Miami via Washington, D.C., Jacksonville and Tampa.

The company feels that by this balancing of the route structure with long haul in a territory which will offset the existing seasonal problem, a substantial reduction will result in the annual subsidy of approximately one million six hundred thousand dollars which is now being received, and eventually lead to self-sufficiency.

In the spring of 1952, Northeast pioneered in the development of “airport to doorstep” air service through a cooperative effort of the scheduled airlines and local air taxi operators. This represented a “first” for Northeast, since it was the first time this had been attempted to improve scheduled air transportation. The new program made it possible for a passenger to make his reservations with any one of the
major trunk carriers connecting with Northeast at New York or Boston, to the nearest major trunk line airport, then to final destination in a smaller plane.

New England air taxi operators carried 2,000 passengers to and from Northeast Airlines stops in New England during 1952.

From its history it can be seen that,

Northeast Airlines is a New England institution which has widened its field of service beyond the confines of the six-State area to become one of the links between New England and the great metropolitan cities of New York and Montreal. Through the vicissitudes of twenty-one years, a long time in airline history, it has become more and more useful and more and more important to the New England economy. 8

During those twenty-one years of operation it has shown the Yankee attribute of integrity and a stubborn will to get ahead. Today, it is familiarly known throughout the region as the "Yankee Fleet" which today provides service to the thirty-six cities listed below. 9 Illustration I shows the locations of these cities as well as the airlines' certificated routes.

Auburn-Lewiston, Maine
Augusta, Maine
Bar Harbor, Maine
Berlin, New Hampshire
Boston, Massachusetts
Burlington, Vermont
Concord, New Hampshire
Fitchburg, Massachusetts
Hartford, Connecticut
Houlton, Maine
Hyannis, Massachusetts
Keene, New Hampshire
Laconia, New Hampshire
Lawrence, Massachusetts
Lebanon, New Hampshire
Manchester, New Hampshire
Martha's Vineyard, Massachusetts
Waterville, Maine
Montpelier-Barre, Vermont
Montreal, Canada
Nantucket, Massachusetts
New Bedford, Massachusetts
New London, Connecticut
New York City, New York
Orange-Greenfield, Mass.
Pawtucket, Rhode Island
Pittsfield, Massachusetts
Portland, Maine
Presque Isle, Maine
Providence, Rhode Island
Rockland, Maine (summer only)
Rutland, Vermont
Springfield, Massachusetts
Westerville, Maine
Worcester, Massachusetts

8Introduction of Mr. Gardner by Laurence F. Whittemore at Boston, Massachusetts, November 12, 1953.
9May 20, 1954.
NORTHEAST AIRLINES INC.
MAP OF CERTIFICATED ROUTES

LEGEND
● Cities Currently Served
○ Cities Not Presently Served
+ Summer Service Only

Prepared by Treasury Dept. 12/8/53
The airline today. An examination of information and statistics made available in August, 1953, brings a review of the airline's growth and development up to the present, and indicates the size and the scope of its present operation.

In one year the airline carries a half million people. In comparison with the first year of operation (1933-34) when a total of 1,904 passengers were carried, 427,685 passengers were carried in 1952. Between August 11, 1933, and August 11, 1953, the passenger total was 3,275,094, a figure equal to the combined populations of Boston, Pittsburgh, Washington and St. Louis. Total passenger miles flown during the same period were 639,959,000, or a distance equal to 2,951 trips to the moon. At the same time, the total in mail, express, and freight reached 3,711,549 ton miles and 565,370 landings were made.

Northeast is the second largest carrier at LaGuardia Field, New York, in number of arrivals and departures each day. With the schedule now in operation, a Northeast plane lands every four minutes.

Maintenance and engineering facilities are based at Boston and here the company operates the only complete maintenance base in New England. In addition to maintaining its own fleet of seven Convairs and twelve DC-3's, it is under contract to handle all maintenance for Trans World Airlines as well as the servicing of several other domestic carriers: El Italia, British Overseas Airways and Air France. Northeast personnel are the last to touch the planes of these carriers before they take off from Logan International Airport headed for various parts of the world.
Today the company employs 1,021 people in thirty-seven cities and had a monthly payroll of three hundred twenty-five thousand dollars and an annual one of more than four million dollars.

This scattered operation is kept in close touch by the maintenance of the company's own communication system of two-way radio between all stations and aircraft, as well as a private teletype circuit between all ground stations.

The safety record of this company is one of the best if not the best in the entire air transport industry. It has flown twenty one years without a single passenger or crew member fatality. According to Paul Collins, "no airline in the world has flown as many total passenger miles without a serious injury or fatality to anyone."10

In June, 1953, the National Safety Council announced thirty-nine United States airlines, including Northeast, as winners of the Council's 1953 Aviation Safety Award. The award to Northeast was, "in recognition of its contributions to safe air transportation, having operated twenty years, and as of December 31, 1953, 713,332,000 passenger miles without a passenger or crew fatality in scheduled passenger carrying operations."11

According to statistics furnished by the National Safety Council, the only airline in this country with more years of safe operation is Colonial Airlines with twenty-three years of safe operation, although, unlike Northeast, Colonial's record is not based on, "no fatal accidents

10 Interview with Paul Collins, Medford, Massachusetts, July 2, 1954.
11 National Safety Council Plaque
from date of airline establishment." The only other airline in the world
to hold as distinguished a record is Hawaiian Airlines (twenty-four years
of safe operation from date of airline establishment).

Northeast's record is further distinguished by the fact that it has
flown more passenger miles without fatality than either of the two lines
which have more years of safe operation. Colonial's miles to the end of
1953 were 700,670,000 compared to 455,351,000 for Hawaiian Airlines and
713,332,000 for Northeast.12

As a result of the encouraging trend in air freight revenue during
the latter part of 1953, the company decided to expand this operation by
leasing a C-46F air freighter early in the year for the inauguration of an
all-freight service this spring.

Other promising factors as far as company outlook is concerned
were the cash purchase of four Pan American Airways' Convair 240's
which brought the company's total equipment to seven Convairs and
twelve DC-3's, and the indication that the company's application for
extension to Washington and Florida would receive a preliminary hearing
in the fall of 1954. This extension would, of course, link all of New
England with Washington and Florida.

In the words of President Gardner, "Northeast looks forward with
enthusiasm to continuing to serve New England with adequate and modern
air transportation."13

(July 15, 1954.)

p. 2.

13 Gardner, op. cit., p. 22
II. PRESENT COMPANY ORGANIZATION

By some standards, this is a young industry and a young company. Commercial aviation was not born until 1926, and it was but seven years later that the organization that later became Northeast Airlines was founded. Because of this relative youth, the company has had only three presidents during its twenty-one years of continuous operation.

Paul F. Collins, co-founder and first president, serves the company as chairman of the eight-member Board of Directors; Samuel J. Solomon, second president, is no longer connected with the company.

Since November 24, 1947, George E. Gardner has served as the company’s third president and general manager, and is also a member of the Board of Directors. Hamilton Heard was elected to the office of treasurer by the stockholders of the company on June 20, 1949, and has been serving in that capacity and as assistant to the president since that date.

Other officers of the company are: A.A. Lane, vice president--operations; Robert L. Turner, vice president--traffic and sales; and D.W.H. MacKinnon, vice president--engineering and maintenance. Mr. MacKinnon had been director of engineering and maintenance since 1947, and was elected to the new position of vice president in December of 1953.

A further examination of the traffic and sales department, which is most directly related to this study by virtue of its relationship to the public relations department, shows the following breakdown of department heads: director of public relations, manager of schedules and tariffs, manager of interline and agency sales, director of
reservations and ticket offices, director of in-flight passenger services, six district sales managers, and the recently created post of assistant to the vice president.

During July and August of 1953, the company had more than one thousand employees for the first time since the early part of 1947. The total payroll for 1953 amounted to $4,032,735. The current employment figure for July, 1954, is again at in all-time high of 1,021 employees; of this total, seven hundred are employed at the general offices and Logan International Airport in East Boston, Massachusetts.

Other personnel of the company are employed at its stations in 36 cities, ticket offices in New York and Boston, and at its office in Washington, D.C., which was opened early in 1954.

Illustration II shows a breakdown of this organization in a Table of Organization of the company.

III. GROWTH OF PUBLIC RELATIONS DEPARTMENT

Northeast Airlines may proudly claim the distinction of having the services of Amelia Earhart in public relations work when the company was founded in 1933. As recalled by Board Chairman Paul F. Collins, who was associated with Miss Earhart in the founding of the company, "she confined practically all her work to public relations."

These early efforts included such services as those performed by stewardesses today in considering the comfort and pleasure of passengers, as well as promotion of the new airline. Many remember

---

14 Since nothing had ever been compiled by Northeast Airlines on this subject, the following account was written from information obtained from the company's files and interviews with company personnel.
Miss Earhart's early efforts to educate the public, especially women, to flying's safety by piloting special flights of women in cities served by the airline.

Directly responsible for the earliest handling of public relations as publicity for the eight years from 1933 to 1941, was the Boston-Maine Railroad and its press agent. His efforts succeeded in utilizing publicity to promote the airline without the expense of advertising. Mr. Collins recalls these early efforts as, "always trying to do unique things to get free publicity," with apparent success. "Through publicity," he said, to Mr. Collins; "the airline created good public relations."

It is interesting to note that during this period a significant public service was accomplished by Mr. Collins in securing the lighting of the Washington Monument in the nation's capital. The industry had recognized the flying hazard it constituted, but had failed in attempts to secure lighting which would remove the threat of danger. With the cooperation of his good friend and newspaperman, Ernie Pyle, Mr. Collins was instrumental in flying a group of newspaper men around the monument at night in order to point out the dangers that existed. As a result of this, the monument was lighted soon afterward.

Between 1941 and 1944, with Mr. Solomon as president, ad agency men Jack Gilbert and Fred M. Knight (Knight and Gilbert, Inc.) manned the company's "public relations department." Together, they produced the first issue of a new company house organ, Northeast Airlines Gremlin, which promised, "to become one of the most important instruments for unifying the interests of NEA employees." Company policy and an increasing awareness of public relations are indicated in the following quotation from that first issue:
The Gremlin proposes to keep you and me, as employees, as well informed as possible of what goes on with Northeast Airlines. We are growing up and the old-fashioned airline Grapevine no longer will suffice to carry the news back and forth from point to point, from office to office. Our company started off back in 1933 with less than fifty employees, but right now there are more than 600 of us -- and scattered from hell to breakfast.\(^{15}\)

When Mr. Collins returned to the active presidency of Northeast in 1944, after three years as chairman of the board, the company retained the advertising agency of George C. Wiswell, Sr., and "persuaded Mr. Wisell to head up Northeast's public relations . . . and bring along with him Fred M. Knight, former Boston newspaperman, as operating assistant,"\(^{16}\) and later director of public relations.

By 1944, the house organ had grown from its original eight-page newspaper format to a sixteen-page magazine which was edited at that time by Marjorie Goslin—a member of the sales department.

IV. PRESENT STATUS OF PUBLIC RELATIONS

Company-wide. An awareness of public relations, its importance according to various concepts, and its practice are in evidence throughout the company's organization. Management at all levels shows an appreciation of the value of public relations functions and an interest in the field, as well as an application of public relations principles to each phase of the total operation.

Unlike a business or industry with no easily identified product, or service, there is good indication here that this company is successfully selling itself, as well as its service to its various publics. The

\(^{15}\)Fred M. Knight, "Gremlin on Horizon," *Northeast Airlines Gremlin*, 1:3, March - April, 1943.

awareness of the number as well as the scope of these publics varies, of course, throughout the company, although management personnel show, almost without exception, an understanding of public relations which extends much further than simply, the "general public." An especially strong awareness of the internal public aspects of the topic, especially employee relations, has been evident throughout this study.

A significant number of effective public relations practices throughout the organization are contributing to the company's over-all public relations program and offer evidence of this awareness on a company-wide basis, as well as evidence of the successful application of a number of fundamental principles. Many of these practices are discussed in chapters five and six which follow.

It should be noted that public relations has grown up with this organization as indicated by the foregoing discussion of the growth of Northeast's public relations department. It was, not only a significant part of Northeast's earliest operation, but it has kept pace with the rapid changes in basic concepts throughout the industry. This means that it has evolved from its narrower concept as solely the practice of getting publicity, in the early thirties, to the status it enjoys today at Northeast and throughout the industry wherever there is an awareness of its value, as a function of the company's management. In view of this, it is not surprising to find it in the program of each department.

**Relationship to sales department.** At the present time, the public relations department is included in the sales department of the company and is directly under the head of that department, the vice president of traffic and sales. This public relations department, which is headed by
the director of public relations, is one of seven separate but related
divisions of the sales department. The others are: in flight passenger
service, interline sales, air cargo, schedules and tariffs, district sales,
and reservations and ticket offices. Close coordination between these
divisions is maintained in several ways. Office space for the managers
or directors of each division is shared in one large room, and
secretarial help is shared in this set-up. The vice president's office
with facilities for meetings of the department is in an adjoining room and
all other general offices of the company are readily available.

A weekly sales staff meeting of the sales department brings the
department heads together with the vice president and his assistant and
provides an opportunity to share in the progress and problems of the
department, as well as in much of its routine operation. Policies which
govern public relations are established at these meetings and at weekly
staff meetings which the president holds with officers and top manage­
ment as a follow-up to the meetings held by each department. In addition
to the close contact and cooperation, another advantage of the physical
arrangement of these departments is the accessibility of the department's
files.

The staff of the director of public relations is, in effect, a large
one throughout the company. In reality, however, it includes only a
secretary who is shared although she is able to devote most of her time
to the public relations department. In a more general sense, the public
relations director has as her staff all six of the company's district
sales managers. According to the public relations director, these people
are not only sales representatives, but also public relations people in
their territories, and their sales and public relations functions can not be separated. The services of each of these men are available to the director in carrying out her work and she maintains contact with them as occasions arise to work through or with them.

Although the director of public relations directly accountable to the vice president of sales, she is responsible for directing and carrying out public relations programs and policies within budget limitations governed entirely by the vice president who maintains complete control over all public relations department expenditures, all of which come out of the sales department budget.

As is the case with the small carrier with a relatively short route, the public relations representative performs a variety of assignments, instead of highly specialized efforts.

**Relationship with management.** Public relations begins with the company’s policies and a definition of management’s attitudes. If public relations are to be effective, management policies and practices must be sound; they must be the type that will tend to create good will and esteem among actual and potential customers.17

Northeast’s growth and development over the years, as well as its acceptance and support in the thirty-six New England cities it serves would seem to indicate sound policies and practices on the part of the company’s management. Over its span of years, Northeast has been able to represent itself as an important part of the New England economy as well as a valued service to the areas it has served. This has made it possible for the company’s public relations department to perform its

---

essential function of presenting and interpreting to the public facts about the company.

Although Northeast's present organization does not adhere exactly to current thinking on the position of the department in the company, the management does seem to accomplish the important requirement of keeping in touch with its public relations director. The director is able to confer with top management at, and outside of, regular weekly staff meeting with the vice president of sales. Improvement in this contact would be accomplished by seeing that the public relations director is the first person advised of all management activity whether or not such activity is for publication. "Only through such a system can a public relations program coordinate a company's policies and at all times know what is going on." 19

As in dealing with other parts of the company organization, the public relations director's responsibilities are many and varied. At Northeast, management relies on its public relations department to assist in planning and carrying out its program to meet its principal problem of route expansion. The department has been made the clearing house by management for all information on the problem, both in making employee suggestions and information available to management and in making management's information available to employees. This puts into practice the natural public relations function of estimating the public's reaction to over-all policies. The inevitable result of considering the director as a sounding board to interpret the public to management may well be to make public appraisement one of the director's principal duties.

18 Wolfe, op. cit., p. 636.
19 Ibid., p. 619
If the public relations department is to be most helpful, "it must know how to get the answers that management should have. These can be obtained in part by polling public and employee opinion." It can be seen that the department needs to cooperate effectively with all departments, "and if it is to be of most benefit to management, probably the most desirable organizational form of a public relations department is one that is centralized with its administrative head on a parity with the heads of such major departments as operations, sales, and engineering."²⁰

²⁰Ibid. p. 482.
CHAPTER V

PUBLIC RELATIONS POLICIES AND PRACTICES

This chapter attempts to clarify and examine certain policies and practices as a basis for further study. In an effort to keep the discussion manageable, the examination attempts only general statements on apparent evidences of "wisdom in management of affairs," and is restricted to some extent to Northeast's public relations department with certain company activities used only to illustrate the general practice of public relations.

I. POLICIES

An attempt to discover policies soon led to the realization that, as a body of information, they have never been written nor, in most cases, clearly defined. Even more troublesome to the study, though, has been the fact that the public relations director's job has itself not been clearly defined. Because of these conditions, policies discussed are general approaches to work in this field, rather than more specific rules and regulations governing practice.

Viewed by the vice president of sales, who is over the public relations department, the company's job from a public relations standpoint is "to see that the company acquires or maintains a good reputation." This was expressed at another time by the assistant
to the head of the sales department, as “the continuing problem of running a good show.” He also expressed the view that “ninety per cent of the company’s public relations is its schedules, physical appearance, and its handling of reservations.”

Over-all self-sufficiency of the company with a return to the stockholders has also been expressed as a major company aim helping to guide all phases of the total operation.

Also governing the company’s current practice of public relations is a policy of working to improve internal relations by devoting public relations effort first and foremost to this area. The wisdom of this decision on the part of the company is supported by the following statement of Elmer P. Thompson, director of information of the Air Transport Association: “the most important thing about public relations is relations with your own organization.”¹

The sales department was responsible for the formulation of this policy of working toward the improvement of internal-relations. The vice president of this department has instructed the public relations director to carry out this emphasis. A very important function of this responsibility as described by A.A. Lane, vice president of operations, is “to get word from the planning stage, or

¹ Interview, Washington, D.C., June 23, 1954.
office, out to the field, and to tell why things are as they are." He points out that it is possible to get people to do a much better job if they know why they are doing it. The specific objective of this policy has been to keep employees from losing touch with the over-all operation of the company.

Another basic policy of the public relations department is to disseminate information about the company to the general public, as well as to the employees. The responsibility for this includes working directly with management and employees throughout the company and keeping all levels informed. This responsibility is being carried out within certain natural limitations, such as geographical locations of company offices, by close personal contacts on a friendly and cooperative basis.

In addition to publicity and employee relations, the department is vitally interested in or concerned with internal relations, including: stockholders, directors, and management; and the external relations with communities, passengers, governments, associations, and the press.

Both of these basic policies - improve internal relations and inform the public - are supported by a policy of cooperation which puts the services of the company and its personnel at the disposal of efforts which aid either of the basic policies. This includes a policy of complete cooperation with all media when good or bad news develops
anywhere in the company. These policies are all brought together in
the cooperation which is extended to employees in the field, especially
station managers and district sales managers who are utilized in
disseminating information in their areas.

II. PRACTICES

Northeast's public relations practices cover a wide variety of
activities aimed at improving the general welfare and overall reputation
of the company. The range of these activities, as in most public
relations situations, is almost unlimited, but a few of the tools employed
include: news releases, company teletype, correspondence, and the
company house organ - "Northeast Weathervane."

While publicity is an important function of the department
(discussed more fully in chapter six), it is only a small part of the
overall job of public relations at Northeast.

Within the company, the public relations department is well
known as the source of the company's house organ which was revived
by the public relations director in January, 1954 for regular publication
and distribution to all employees.

Another outstanding contribution of the public relations director
this year has been instituting regular weekly staff meetings of
department heads with their staffs - sales, operations, and maintenance.
In each case, observers from the other departments are given the

opportunity to attend these meetings and thereby increase their value.
The department meetings are supplemented each week by a meeting of
top management with the president. These staff meetings are making
a valuable contribution to improved internal relations and are function-
ing effectively at a policy level in improving public relations.

Other activities of the department include: handling requests for
opportunity to attend these meetings and thereby increase their value. The department meetings are supplemented each week by a meeting of top management with the president. These staff meetings are making a valuable contribution to improved internal relations and are functioning effectively at a policy level in improving public relations.

Other activities of the department include: handling requests for information and some of the president's special correspondence, working with career day programs of schools, representing the airline occasionally, and planning participation in civic life of communities served by Northeast.

In the field, station managers and district sales managers have responsibility for the company's public relations in their areas. Those who contributed to this study show an awareness of this responsibility. They function, however, without benefit of a statement of their public relations function and responsibility or direction in carrying this out. The result is that their contributions to an over-all program are limited and vary widely.

In discussing public relations aspects of their work, several in this group pointed to their need for guidance in this area. At least two were quite outspoken in saying that they would like a brief company guide of public relations, including a statement of public relations policies, as an aid in handling this area of responsibility. One pointed out that this would not be to restrict activity, but to define it and
provide a framework within which to operate. Another (this one a station manager) expressed this opinion: "unfortunately public relations function and responsibility have not been made clear down the line." He felt that some brief written explanation is needed to acquaint personnel at all levels with these responsibilities, explaining "why we're here," and "here's how you can help."

It should, perhaps, be noted that the company's manual department also recognizes this need for public relations information and feels that something should be provided.

Basically, the public relations job as it is viewed by this group in the field consists of handling complaints, publicity, and some community relations. Of these, the handling of complaints seems to be the phase which is best understood and receiving the most attention. In New York, for example, at the company's largest sales office this is regarded as "one of the biggest public relations aspects of the work."

The policy there is one of "admit and apologize," and the procedure is to act on a letter of acknowledgment which is written at the main office in Boston and sent from the president to the customer. Advised by a carbon of the letter, the New York office uses this as an opening for a personal follow-up contact. This method seems to be a standard procedure throughout the company.

---

2 In Boston where a majority of these are received or routed, they
Many letters of this type are also followed up by the manager of interline sales who keeps a file of these letters by cities in order to work with those from whatever city he visits. Now responsible for approximately one-third of the company revenue, interline sales are but one function of this department which is also concerned with travel agencies and the military. The manager of this department has "found by a little public relations into the areas, that we can promote sales."

The handling of publicity is left very much to the individual manager who is responsible for developing and maintaining his own contacts and for servicing them to whatever extent he is able. On occasion, he receives from the sales office information which is to be passed on to the outlets in his areas.

A great deal of freedom is also exercised at this level in maintaining effective community relations. Efforts range from participation in civic and social groups to handling routine requests for information in a manner which reflects credit on the company.

are handled by the sales department according to the following procedure:

1. acknowledge, as soon as possible, over the name of the president, or a department head involved, saying that the matter has been looked into, and then making an explanation or stating that the information is not at hand, but the matter is being investigated and the company will write when a complete report is available;

2. submit the problem to everyone concerned in order to get a complete report on the matter;

3. write again to the passenger when more complete information is available;
The following illustrate some of the public relations aspects of activities outside the public relations department, all of which regularly contribute to the company's over-all public relations:

sales -- schedules of where to fly, how, and when, as well as aspects of presenting over 60,000 readable and workable tables a month

reservations -- ticket offices' job is to turn a call for information into a sale

pilots -- job includes chatting with passengers on flights, speaking before civic groups, courtesy flights, and the watchword of this group is "a good, comfortable, safe ride and be courteous"

sales -- represent the company to the states through such organizations as the New England Council

interline -- keep travel agents kindly disposed toward Northeast (New York has over three hundred of these), selling New England as a vacation spot to personnel of other airlines

passenger service -- responsible for lunches on flights, flight packets; flight announcements, etc.; individual treatment is the outstanding service offered

Washington -- correct misinformation on the part of other airlines, keep commuter friends happy, and keep things running smoothly

stewardesses -- job is seen by some as most important to deciding whether or not passenger flies again; passenger service and ready smiles are stressed.

These suggestions of public relations in various activities throughout the company are taken at random and should suggest the important place of public relations in each phase of the total operation.
The following examples also help to illustrate the variety of public relations practices contributing to the total program:

special flights -- in addition to regular charter flights, courtesy and special trips occur and range from free sight seeing trips (such as recent ones for boy scouts and an Exchange Club luncheon meeting) to sight seeing flights operated over the Worcester tornado area in 1953 for the benefit of the Worcester Rehabilitation Fund with proceeds after taxes going to that cause; school children and college students on educational trips

extra personnel -- on flights which take large groups to summer camping areas - this tends to impress and reassure parents

flight packets -- self-addressed postage paid envelopes entitled "Our President Wants To Hear From You!" are found in each packet and are a source of information on passenger opinions and attitudes.

employees -- such extras as a flying club for employees, interline scheduling to provide flights with other airlines, Christmas gifts to children's hospitals, car plates to attach to automobile license plate holder.

mercy flights -- in emergency cases of all types, including delivery of eyes to the eye bank in Boston

car service -- Northeast was the first airline in the country to introduce passenger accommodation of car service at destinations on the system; it was first worked out with R.S. Robie, Inc. of Boston and Cambridge

promotion -- a Sportmen's Show exhibit as well as national advertising, winter ski promotion, and summer vacation promotion all contribute to the promotion of New England

safety education -- carried on for the industry by several Northeast practices including permitting passengers to visit the cockpit during flights under special conditions and by invitation, permanent display of a link trainer which is part of the company training program and is on view - often during actual operation - in the lobby waiting room at Logan International Airport with an available folder which helps to brief passengers and show them how pilots are trained
information centers -- maintained at military installations and operated as service centers offering travel information on all types of carriers

educational cooperation -- including studies each summer by military personnel on the job, regular cooperation with engineering students of Northeast University who work for the company and attend school on a cooperative plan

industry cooperation -- recent cooperation with Ford Motor Company included checking out the company's pilots with the chief pilot of Northeast who won Ford's gratitude by the calibre of Northeast's procedure and his treatment

The wide variety of these and other activities suggests the importance of keeping in touch with all departments and of coordinating them. Although there are many phases of the complex subject of internal communications, a frequent problem mentioned in connection with this study was the need to improve these communications. At least two of the company's sales personnel, however, feel well informed on matters related to the company and do not recognize a major problem in this field. The district sales manager in New York, on the other hand, remarked that as a company, "we don't always make known what is going on, although it is a must for a morale standpoint." A counter representative on the line suggested that at his station, there is not enough contact with the home office, and occasional meetings would be valuable.

---


Other problems raised in the interviews deserve brief mention. Edwin Breed, assistant to the vice president of sales, pointed out, "one of the main problems." Part of meeting the problem, he seems to feel, is to educate the people in New England for Northeast Airlines; his personal method for this is to get to a group and "chat with them."

A second problem according to Mr. Breed, is constantly "to give better service to those using the line." Referring to "the biggest problem - keeping all branch offices informed of what is going on," Mr. Breed indicates management's awareness of its internal communications problem.

The need for literature in the nature of an informative folder about Northeast was also mentioned in more than one interview with the suggestion that this should be something to be picked up in the stations to help sell the line to the public.

III. PUBLICITY

Through publicity, Northeast policies, purposes, service, plans, and personnel are made known to the public. This is being accomplished by word of mouth, direct mail, radio, house organ, newspapers, magazines,

---

5 Interview, East Boston, June 17, 1954
displays, public speeches, publications, contributions to local causes, support of organizations, and advertising which employs many of these channels as well as television.

The publicity function of the company is considered a responsibility of the public relations department, although a large portion of the function is being handled by the advertising agency which is retained by the company. Others responsible for company publicity include the district sales managers, station managers, and officers and management.

As a result of this responsibility being handled by so many without adequate coordination the story that is presented has not always been consistent throughout the operation. Another result of this procedure is the inability to enjoy the cumulative effect that could arise from repetition of a message through different channels.

This study has uncovered no evidences of a comprehensive survey of the various channels which are being used, as well as others which might be used, except on the part of the advertising agency. As a result, there is no evidence of planning the amount of effort devoted to each of the channels being used to publicize the company. In addition, a deliberate de-emphasis on publicity activity has been made in favor of devoting efforts to the improvement of internal relations.\(^1\) As discussed in chapter

---

\(^1\) Interview with Robert L. Turner, vice president of sales, Northeast Airlines, East Boston, May 26, 1954.
of this study, the public relations department has been attempting to build public relations from the ground up. This is in direct contrast to the planned emphasis on publicity by Capital Airlines where an estimated 80% of that airline's public relations department effort is concerned with publicity.²

As far as it has been possible to determine, the company does not have a general publicity program worked out for a specific period of time. There is, therefore, apparently no indication of things to be emphasized most at specific times, and no overall plan for the kind of effort each company unit is expected to contribute. An up-to-date calendar of events, such as festivals, sports, contests, historical observances, state and national holidays, etc., does not seem to be in use to prevent overlooking many good promotion possibilities and to provide an outline for the year's promotional plans. Seasons of the year, however, do provide a basis for some planning.

The company's house organ which is distributed to all employees is not edited as a means of furthering external public goodwill and is not utilized to any great extent to publicize Northeast outside of the company. It is used to publicize departments, stations, personnel, and organization activities as a means of improving internal relations.

Although cooperation is extended in several departments, when requested, the company does not seem to be taking an active part in developing an educational program, either on its own or in cooperation with the industry.

Most newspaper releases by the company take the form of traffic information, financial statements, promotions of personnel, and efforts to extend the company’s route to Florida. An examination of the company’s file of copies of releases sent out between January 1, 1954 and June 8, 1954 indicated that a total of thirteen releases were disseminated during this five month period. There is no indication that all of these went to newspapers, and at least one of this total was an internal release which went only to the president, department heads, the advertising agency, and the company clerk. The form of these releases was not consistent and they did not all conform to accepted newspaper standards in that many were not dated, many were single spaced, few release dates were used, and the source of the information was not always given. This inconsistency of practice is reflected in the publicity efforts being carried on in the field where no standard procedure is being followed and company policy governing the regular dissemination of information -- if such a policy exists -- is not known. Company personnel interviewed in the field in connection with this study were not consistent in the procedure that would be followed in dealing with the press in an emergency situation.
Examples of outstanding publicity obtained by the company include a full-page picture-story about the Northeast which appeared in a New Bedford, Massachusetts paper on June 18, 1954; a ten thousand dollar, four-color, full-page advertisement which appeared in the July, 1954, issue of Holiday magazine; and two booklets presenting the company's interest in extending its route to Florida.


CHAPTER VI

ANALYSIS OF INTERNAL AND EXTERNAL PUBLIC RELATIONS

During the last few years, 'public relations' has come to be known as an organization's approach to the general public, with the job of the public relations department equally divided between internal and external activities. Along with representing the airline to the public thru press, radio and other media, this department weaves itself from management to employee stimulating proper internal relations as well as cooperation among the many departments of the airline.

In view of these needs it is the purpose of this chapter to analyze, or break down, the airline's public into the elements of which it is composed.

Both internal and external relations are investigated, with an individual examination of publics against a background of general public relations information. Each discussion is followed by a synopsis showing the results of the examination.

The chapter attempts to define the airline's major publics, to indicate what is being done by Northeast Airlines in dealing with these publics, and to suggest on the basis of this examination, the relative merit of relations with each of these specialized groups.

Stockholder Relations1. "An informed stockholderate— to coin a term— may well prove to be the strongest bulwark that management can develop to assure the continuance of our form of government," says Mr. Weston Smith executive vice president in charge of public relations for Financial World.

---

"Stockholder aid can be rendered only when they have first hand knowledge of the affairs of their companies they must be kept informed by the management."  

These two quotations from contemporary public relations practitioners indicates the degree of importance accorded stockholders in establishing an effective public relations program.

The broad expansion of the number of shareholders in American corporations during the past two decades particularly among small investors, widows, and other persons of limited financial training and background has created the need for a revised, aware, and aggressive management account of its stewardship.

Now addressed to tens and hundreds of thousands of small investors representing every walk of life, who are unable to keep informed on the progress of their companies during the course of the year--stockholders relations must consider its basic responsibilities of profiting, informing and serving its financial backers.

Stockholder relations as organized under the separation of public relations powers at Northeast Airlines, falls under the direction of the treasurer and assistant to the president. Mr. Hamilton Heard has supervised this segment of company public relations since his appointment in 1949.

"The keystone of the stockholder relations program is the corporation's annual report, it must be attractive in its presentation, simple in its explanation, and easy to understand, if the truth about the managements..."

programs and policies is to be put across to the actual owners of the enterprise."

Preparation and publication of the annual report, a seven page, two color booklet (see Appendix A) contains three general sections: miscellaneous information, a balance sheet, statement of profit and loss, statement of earned surplus, statement of capital surplus, notes to financial statements, an auditors report and three statistical tables, exists as one of the major responsibilities of the treasurer.

After consultation with the vice president of sales and the vice president of operation, the draft of the report is sent to the company lawyers and later to the company auditors who make the last check before publication.

The report is completed between March and June and is dependent for publication on the completion of annual company bookkeeping, which in turn is dependent on government allocations of mail revenue contracts.

Upon publication the report is forwarded to each of the 1747 common shareholders, all of the 27 owners of preferred stock, members of the Board of Directors, company officers, other airlines, financial houses, brokers, and bankers. Copies of the publication are made available to the employees and management upon request.

A standard format for the annual report existed with little change from 1945 thru 1950, and with only minor changes from 1951 thru 1954. Managements view that a subsidized carrier should and must conserve in all ways possible does not allow any additional expenditures on this

---

communications device. Mr. Heard points out, "we have received compliments from some of our stockholders on publishing the type we do---they say it contains just as much information even if it isn't fancy."

"We are not trying to sell more stock," continues Mr. Heard, "we care about the annual report only because it furnishes information to the stockholders." 4

Five items of business were discussed at the meeting in March, the one most important to our present subject is the consideration by the board to act upon the matter of approving the NEA Employees Stock Option Plan designed to afford to key employees of the company of

4 Annual Stockholders Report, (East Boston), December 31, 1953.

The statements contained in the latest edition reflect the results of the company's twentieth year of service to the New England community. On this anniversary a great many previous records were broken. The operating profit of $427,481 was highest on record. The net profit after taxes for 1953 amounts to $492,913 equivalent to $.54 per share of common stock after allowance for preferred dividends of $1.00 per share. Book value per share of common stock increased from $3.61 per share on January 1 to 4.56 per share on December 31st.

The company announced on June 29 of 1954 a net loss of $5,273 for April as compared with a net profit of 16,581 for the like month of 1953. Gross income for the month was $675,061 as compared with $601,735 a year ago. For four months to April 30 the airline had a net loss of $191,146 compared with a net profit of $11,071 for the preceding year.

Northeast flew 5689,854 revenue miles in 1953 an increase of 20% over the previous peak, the 463,712 revenue passengers carried in 1953 brought the revenue to an all time high of $6,227,406.

Common stock quotations on the American Stock Exchange as of the week ending May 22, 1954 were; number of shares sold 27, the high was 4 the low was 3 7/8, with a closing of 4. More recent investigations have revealed a rise to 5.5 per share.
outstanding ability an opportunity in connection with their employment to acquire or increase a proprietary interest in the company through the acquisition of share of its stock.

The plan is still being considered by the Board of Directors as to its practicality, and will be voted upon in the near future.

Standard notices of the meeting were sent out to all shareholders three weeks prior to the meeting. No special accommodations were provided at the meeting. Not more than 20 persons attended this meeting, most of them officers, and large stockholders. Mr. Gardner presided.

Press handouts were not available, although several financial reporters were in attendance at the meeting as a routine assignment. The meeting was held in the Amelia Earhart Hanger at Logan International Airport in East Boston.

Additional mailed material was forwarded to shareholders in the form of a quarterly financial statement, two booklets concerning the Florida extension entitled, "A New Lift For New England", and "A Salesman For Florida". A welcome letter for new stockholders was utilized but at present has been discontinued because of supply problems. Observed Mr. Heard, "to tell you the truth we really do not have very good stockholder relations."

"The annual meeting of the stockholders is the one function of the corporation during the year where the investor can meet the management face to face and hear the report of stewardship from the lips of the president."

“Furthermore, successful relations with stockholders requires working with them on an intimate individual basis. Actions should be pointed to them as individuals and should be direct and down to earth.” 6

Results of the examination of the stockholder relations of Northeast Airlines reveals that the entire program is the responsibility of the treasurer with the concurrence of the vice president of sales and the vice president of operations. The director of public relations is not involved in these operations.

A second revelation of this examination indicates complete unconcern and lack of interest in the general mass of stockholders. No attempts have been made to utilize the potential power they yield for influencing public opinion or exerting pressure.

Effective public relations tools for the establishment, maintenance, and development of favorable stockholder relations are unknown and seemingly unwanted at Northeast.

Candidly, the status of stockholder relations at Northeast Airlines indicates management unawareness of the latent capabilities of this basic public. Separation of the public relations function in two departments produces a duplication of effort and a division of operational procedures that in turn produces confusion, and a hog-pog of public relations policies.

Relations With The Board of Directors. “As the policy making arm of the business and the official body to which the officers and employees report, not to mention the important link it maintains between

6 Harlow and Black Practical Public Relations (New York: Harper and Brothers, 1947). p. 154,
management and employees on the one hand, and the stockholders on the other, the board of directors can, and should, exercise a profound influence upon everything and everybody in the company."

"A board of directors can be a tremendous public relations asset if the members are properly cultivated and given appropriate opportunities to play a constructive part in the public relations program."  

Due to the nature of its membership, the board of directors inherently possesses a great potential for exercising good public relations with the organization it guides. Distinguished personalities, respected and admired throughout the community are always newsworthy and viewed by the press and public as authorities to be accorded attention, confidence and trust. Too often these busy individuals do not fully utilize their position in conjunction with their reputation, to benefit the company they serve. Daily opportunities confront the board member and present situations that if acted upon in the proper manner would result in public relations laurels for both individual and organization.

II. RELATIONS WITH THE BOARD OF DIRECTORS

"The task of the public relations worker is to arouse and keep warm board members' enthusiasm for public relations, and to lead the enthusiasm into constructive and productive channels."  


8 Ibid., pp. 155.

9 Ibid., pp. 154.

Whether or not the public relations director should serve on the board is a question, but whether he should sit in on the board meetings is not. It is most desirable that the director of public relations be recognized by the board as a company official with whom it is in close contact, so that public relations can be successfully interwoven with managerial policy.

The most desirable relationship between the board of directors and the public relations department would allow public relations to become one of the basic concepts of the organization. With this foundation firmly established other members of the company would understand the significance of the program, and the importance of this function and would more readily extend their cooperation and enthusiasm. In addition the directors themselves would it seems assist in its development.

The eight member board of directors of Northeast Airlines, "meets as the occasion demands, usually once a month or more."  

"The meetings are usually held in New York City and on many occasions at the apartment of Miss Cochran." When most convenient for those attending, the meeting are held at the general offices at Logan International Airport in East Boston.

"No time is set for the board meetings. We communicate with the directors only when necessary. Usually we meet to carry out suggestions of Mr. Gardner."  

---

11 Ann Wood, Interview, (East Boston), May 18, 1954.

12 Hamilton Heard, Interview, (East Boston), June 29, 1954.

13 Paul Collins, Interview, (Medford), July 2, 1954.
"We try not to bother them until something comes up that needs policy decision. However, I am doing my best to get President Gardner to have regular meetings of the directors." 14

Usually a short resume of the business to be conducted at the meeting is sent by the treasurer to the members of the board several days prior to the scheduled meeting.

Other than the formal board meetings Mr. Gardner maintains close contact with Mr. Radu Irimescu, representative of the Atlas Corporation. 15

Two of the oldest members of the board of directors from the standpoint of service to the company are Paul F. Collins, president, Fibremold Inc., Chairman of the Board; co-founder, and first president of the company, and Eugene L. Vidal, president Vidal Company, who joined the company in April of 1940. Jacqueline Cochran, president Jacqueline Cochran Inc., is regarded as one of the most important members of the board by members by top management; with the result that meetings are usually arranged at her convenience. 16 Miss Cochran became a director in January of 1945 succeeding Robert F. Bradford, who was then Lieutenant Governor of Massachusetts.

14 Heard, op. cit.


"As of February 10, 1954 Mr. Floyd B. Odlum owned beneficially 89,920 shares of Common Stock of Atlas Corporation. Mr. Odlum is the husband of Miss Cochran and the President and a director of Atlas Corp."

16 Associated Press dispatch, The Lawrence (Massachusetts) Independent, July 5, 1954. Miss Jacqueline Cochran famous aviatrix was awarded the 1954 Harmon International Aviation Award, "for becoming the first women to break through the sound barrier on May 15, 1953 at Edwards Air Force Base, California. Miss Cochran is a former wartime commander of the WASPS."
James F. Fitzgerald, president and treasurer, J. F. Fitzgerald Construction Company, has been on the board since October 1943 and owns 500 shares of stock.

George E. Gardner, president, general manager, and member of the board, joined the company in late 1947, Mr. Gardner owns 10,000 shares of stock. 17

Grenville L. Hancock, sales representative, Associated Plywood Mills, Inc. came to Northeast by request of Mr. Gardner, in June of 1948. Mr. Hancock owns 100 shares of stock.

Albert C. McMenimen, financial vice president and treasurer, Boston Edison Company joined the board in December of 1948. Mr. McMenimen owns 300 shares of common stock.

Radu Irimescu, assistant to the president, Atlas Corporation, became a board member in October of 1943 and has since that time represented the Atlas Corporation at Northeast. Mr. Iremescu does not own any stock.

Conditions at Northeast Airlines would seem to indicate little if any contact between the board of directors and any other part of the company, except the officers. When questioned employees were ignorant of the nature or the functions of the board. Membership of the board was also a mystery. Later questioning indicated much the same reaction on the part of supervisors, and department heads.

17 Northeast Airlines Inc., Notice of Annual Meeting of Stockholders (Boston: Northeast Airlines Inc., 1954), p. 4. The company issued 10,000 shares of its Common Stock to Mr. Gardner, and he agreed to pay therefor the then existing market price, in two installments. The first installment of $5000 was paid in April, 1949. By virtue of a supplementary agreement between the Company and Mr. Gardner made March 12, 1951 in consideration of the continuance of Mr. Gardner's service as General Manager, the final installment of $26,875 will become due, without interest.
Examination of this relationship in more detail seemed to reveal a static and detached atmosphere surrounding the board, its members, and their proceedings. Contacts by management with members was sporadic and only functional, no interdependence of board and employees or board and management was exhibited. There appeared to be no single purpose nor common denominator uniting these groups.

Briefly, indications were that members of the board have not yet realized nor utilized their unusual potential as public relations proponents for Northeast Airlines. Faults appear to lie not only with the board members whose inertia has kept them from applying themselves to this job of selling Northeast, but responsibility must also fall on management for its apparent failure to recognize and correct this serious breach of effective public relations programming.

Relative merits of the relations that exist at Northeast Airlines between, the board and the employees, the board and top management, and the board and the community, again seem to illustrate the persistent underlying theme of company unawareness of their existing public relations potential, along with an inability to harness that potential to their existing public relations efforts, with the result of improved public relations.

Employee Relations. Relationships between employer and employees, as well as those among employees themselves, is a phase of public relations that demands careful consideration by corporations as well as by public relations practitioners. As Lesly summarizes in Public Relations Handbook, "the underlying factor determining success or failure is the attitude of management toward its employees and vice versa. Each
employee must be recognized as an individual and a human being. All are members of a team, a machine, an organization, whose welfare and that of each and every member depends upon mutual endeavor." 18

The maintenance of good employee morale is an important aspect of a company's public relations program since, as more than one author expresses it, "employees must be kept sold on the company," and "their friendliness, enthusiasm, teamwork, and morale are vital to company success." 19 This viewpoint can easily be understood when one recognizes the fact that to the public, including the passengers of an airline, the individual employee is considered as the company he represents. For this reason it is important to remember in considering any employee relations program that a negative impression received from a company employee can quickly offset any good accomplished by the company's over-all public relations program.

Once this viewpoint is established there is a program of reaching all the organization's employees and keeping them well informed representatives of the company who are, in effect, the company. This is best accomplished by a well organized and well carried out employee relations program.

Generally speaking, steps that are taken by an airline to coordinate the efforts of an employee relation program with the public relations program include such things as: "orientation training programs, refresher

---


19 Wilson, p. 482
programs, morale builders such as regard for suggestions, trade papers, and the like." 20 For an airline this becomes especially important since employees must often share responsibility for acting as spokesmen for the company to the general public.

One other very important aspect of the problem is personal contact between employees and executive personnel. "It is most essential that easily accessible lines of communication be established in the echelons of supervision so that supervisors are aware of the employees' desires." 21

Directly concerned with employee loyalty at Northeast is the personnel department whose activities constitute the employee relations program. More than loyalty is important to efficient operation, however, and the activities of an efficient personnel department are coordinated with the public relations department's efforts to create and maintain company spirit in order to assure a smooth running organization. This type of close association between the personnel and public relations departments is advocated by the industry. 22

Personnel department responsibilities and function at Northeast include: correspondence with prospective employees and employment, training, relations with unions and automatic pay increases under the company's contracts, processing suggestions, recognition of service and company retirement plan, and employee travel passes including a vacation service. Statements on each of these phases are included in the paragraphs which follow:

20 Wilson, Ibid., p. 482

21 Ibid., p. 483

Correspondence with prospective employees -- Duplicated forms are utilized to answer routine requests for information regarding employment. These are prepared on company letterhead of red and blue design. The name of the person the information is being sent to is typed on this letter. These forms include a general letter to acknowledge receipt of an inquiry and is sent with one of the company's regular application forms; a form for the position of co-pilot; form for the position of stewardess, and for passenger service representatives (reservations, ticket and load agents). There is every indication that the department is aware of the opportunity and importance of making a friend of prospective employees, whether or not they gain an employee.

Training -- Under the training and employment manager, this includes preparation and teaching of various training courses, as well as supervision and cooperation in others, such as the stewardess training which is handled by the chief stewardess. Stewardess training of two or three weeks precedes actual flight duty which is assigned to successful graduates. No training school, as such, is operated for passenger service employees, and the company usually prefers an applicant who has had either transportation experience or training in airline passenger service procedures.

Relations with unions -- Six unions are represented in the organization-- mechanics, clerical, stewardess, pilots, radio, and dispatchers -- the largest of which is the IAM, International Association of Mechanics. The rest of these are apparently represented by such small memberships that they are much less active. According to Mr. D.W. H. MacKinnon, vice president of engineering and maintenance, the IAM has many meetings, but
they are not well attended; and strike votes are in the hands of an executive committee of four members which has been known to threaten members who do not comply. In discussing the relations with this group Mr. MacKinnon pointed out that an employee was recently told not to accept a management decision because of a question of seniority and informed that if he did, he would be "kicked out." Under each of these union contracts a seniority roster is issued and posted twice a year and all automatic pay increases under the contracts are handled by the personnel department. Labor negotiations are another important aspect of relations with the unions and 95 per cent of these are handled by the personnel department with the other 5 per cent handled by the company president. Employee grievances under the contracts are also processed by the department and at least two of these are outstanding at the time of this writing.

An interesting side line to this brief look at the unions is an activity of the machinists' union which has been sponsoring a six-month training program designed to help members become licensed flight engineers. The course receives joint sponsorship from the company which makes training facilities available while the union supplies the instructors. John A. Romano, local president, points out that when the company's route to Florida is a reality, these employees will be able to step into the flight engineer positions that will be available.

Processing suggestions -- An Employee Suggestion Plan is set up to consider suggestion by any employee of the company and any employee submitting a suggestion is eligible for an award not to exceed two thousand ($2,500.) or less than five dollars. A printed suggestion form, available

23 Interview with Mr. MacKinnon, East Boston, July 2, 1954.

at the personnel office, is provided for submitting these to the Employee Suggestion Plan Committee. Membership of the committee includes the president, two directors, officers of the company, and the director of personnel who serves as secretary. The suggestion system was described as a popular one by Mr. MacKinnon who administers the plan as a "final judge." The largest amount paid to date for a suggestion was four hundred eighty dollars. Suggestion boxes are also maintained by the company at various places in the general offices and at Logan Airport, "but are not used too extensively", according to the director of public relations.

Recognition of service and company Retirement Plan -- At regular intervals throughout the year service pins are awarded to employees who have been with the company a total of five, ten, or twenty years. Two jeweled 20-year pins were awarded at the company's twentieth anniversary dinner in 1953 to Board Chairman Paul Collins and Capt. Milton H. Anderson, senior captain, who has been with the company longer than any other employee. On May 20, 1953, a 20-year pin to Captain Short and about twenty 10-year pins were presented by President Gardner in his office. Other arrangements for distribution of service pins include giving them to department heads to present. One employee has retired under the new Northeast Airlines Retirement Plan which became effective as of January 1, 1953. Details of the plan, as instituted by the company, were explained at an employee meeting held in the Hangar in East Boston in the spring of 1953 and were presented to all employees.

25 Mike Laflee, storekeeper.
in an attractive 16-page booklet on December 18, 1953 with an accompanying letter from President Gardner. Northeast pays the entire cost of the plan and every employee who meets eligibility requirements becomes a member and under certain circumstances can retire at the age of sixty-five with an income for the rest of his life.26

Employee travel passes 27 The personnel department handles all pass requests for its employees including standard, vacation, and travel passes, and in addition, offers help in planning vacations including discount plans, as a service to employees. One interline pass a year to one destination by the shortest route possible is also available to each employee by agreement with other airlines making it possible for employees to get to any corner of the United States, and an emergency pass does not count against this quota. The company's "extremely liberal" pass policy provides each employee with an annual pass for unlimited travel on the line by the employee and his immediate family. The only restriction placed on the use of the pass is that unsold space be available on the flight requested.

It would be difficult to over estimate the value and contribution of internal communications to the over-all employee relations program. This important aspect of the company's public relations program represents one of the department's major concerns. Company recognition of its problem in the employee publication indicates something of the nature and extent of this as a matter of internal relations.28

27 Interview with Arthur A. Brennan, manager of employment and training, East Boston, May 21, 1954.
Information: how to get it and give it out seems to be quite a problem at Hangar 6 (general offices) and along the line so that at a recent staff meeting with Mr. Gardner the following decision was reached:

1. There will be a central seat of information and it will be the responsibility of that box known as Public Relations to keep all personnel informed of matters of general interest to all.

2. Matters of specific interest to certain departments only will be handled by the Division or department head concerned.

3. Rumors and guesses will not be circulated, and plans and information will be sent out when they are facts and not before.

This clear definition of function serves to illustrate one of the elements of a sound public relations program genuinely concerned with internal communications and employee relations. It also reflects credit on management in keeping personnel of the company advised of program and policies.

Company letters and memorandums continue to provide the most satisfactory means of internal communications and are being supplemented by the important contribution which the company's house organ, Northeast Airlines Weathervane, is making. Employee meetings are also being utilized as evidenced by a June 28 meeting to inform all personnel about company plans and progress in the major problem facing the company - route extension to Florida.

It is safe to say that under the capable administration of the company's public relations director employee relations will continue to benefit from an improved program of internal communications. Significant contributions in this area have already included continuing efforts to keep employees advised of the Miami situation through a booklet,
release, and letters in addition to the meeting already mentioned. The most significant single contribution, however, is probably being made by the Weathervane. Its reinstatement by the director of public relations soon after her return to the company in January of 1954 is undoubtedly more than justified by the enthusiastic reception it has had throughout the company. A new title and format in a convenient 6 1/2 x 9 1/2 size produced in the company print shop characterize the well-illustrated monthly house organ.29

One final aspect of an employee relations program which makes an important contribution to company spirit is a well-balanced social and recreation, or sports, program. This aspect of employee relations is met at Northeast by an employee organization known as the Yankee Fleet Association. According to its constitution, its purpose is to foster a closer fellowship among all employees and to raise funds through social activities and weekly dues which will be used in the interest of and for the general welfare of all members. All employees are eligible for membership and it is governed by elected officers and supported by its members without company assistance other than collecting the dues. The association's function is primarily social with several company-wide annual events including a Christmas party, summer clambake, and spring dance. Other activities of the organization such as athletic teams,

29Earlier company house organs included an 8 1/2 x 11 inch glossy paper, eight-page, printed company newspaper, "Northeast Airlines Gremlin," first issued in March, 1943; a sixteen-page, 8 1/2 x 11 glossy paper magazine, Northeast Airlines Gremlin issued three times during 1944; a typewritten, duplicated, monthly, 8 1/2 x 11" publication, "The Pilgrim," which first appeared in February of 1947; a small duplicated and illustrated magazine-type 6 1/2 x 8 1/2 booklet entitled "The Yankee Fleet News," which was put out first in August of 1949. These were followed on August 30, 1950 by the first issue of a one-page, weekly, typewritten and duplicated, 8 1/2 x 11 inch sheet which appeared regularly for several years.
are supplemented by other organized employee activities including the Yankee Flying Club which offers interested personnel the opportunity to learn to fly at reasonable cost and combine the pleasures of flying with an additional outlet for social activity.

Problems facing the association arise from the fact that its activities are necessarily centered in Boston with limited opportunity for participation by employees outside that area, characteristic of airline employment, and a lack of active support by the company's management. In addition, officers of the organization recognize the need to revise its constitution in order to have it a more workable effective basis for operation. Undoubtedly, the organization has potential which has not been realized, but which could be realized better through more active interest and participation by the company.—an important factor to the improvement of the company’s over-all employee relations program.

Not to be overlooked in an examination of the employee relations of Northeast is a small, but very important segment of employees who represent an antagonistic group with some semblance of organization. This group is made up of a relatively small number of pilots who are regarded by the public relations director as a prime contact with the field who, in the past at least, have been somewhat antagonistic toward management and have failed to appreciate management's position due to

---

30 Miss Dorothy Richardson, chief stewardess, made this point in an interview on May 11, 1954 at Logan Airport. She commented that, "it is surprising how many stay away from Yankee Fleet social function," but felt it was a characteristic peculiar to airline employment which for many entails irregular work schedules, widely scattered home communities, and various bases of operation.
a lack of proper information. They present a difficult morale problem for the company and evidently base their attitude on an unsettled grievance of one of the pilots whose case against the company has been in court.

Without doubt, this employee group is an indication that there is a fundamental problem related to the company's employee relations program which needs to be corrected at its source. As Blomquist points out in his discussion of employee relations, "In airline public and internal relations, it is essential that alertness to opportunity be maintained, that the smallest detail be handled properly, and that the human equation in every task be given the closest study." 31

**Government Relations.** "Government relations is that part of public relations which involves the development and maintenance of cordial and effective relations of a business with all the divisions and units of local and national government." 32

Company activities necessary to insure these cordial and effective relations evolve with a discussion of the problems related to the establishment of such a program. Perhaps one of the first steps an organization must take toward an adequate government relations program would be to find a way to express itself to the policy making arms of the government. Channels of communication must be well established and frequently oiled. Keeping informed about the developments of government, in order to avoid running afoul of new regulations, requirements, taxes and other innovations,


constitutes another problem area that must be considered. A specific problem of contemporary government relations is the battle to hold the line against natural bureaucratic tendencies, being aware of competitor legislation, and simply keeping abreast of the changes in government swell the list of areas to be considered and outline considerations that must be dealt with effectively by an organization if it is to maintain proper government relations.

To cope with these and other problems a sound public relations policy and program from top to bottom is the foundation of success. An organization which is popular with the public is more easily made popular in city hall, the state capitol or in Washington. Furthermore, a company should start from within and make every effort to carry on its government relations with as much intelligence and vigor as it carried on any other part of its public relations program.

Any company that is affected by the action of the legislatures of states and congress, must keep accurately in touch with what is going on in these bodies and a multitude of other government departments, and agencies. The organization must maintain a force of workers to protect its interests in these organizations and acquire the necessary assistance in furthering its program. Support and help from trade associations, utilizing their facilities on local, state, and national levels to supplement company effort would be one way to assist in solving this problem.

Personnel working in government public relations should be organized as part of the major public relations effort, with the government relations program co-ordinated with all other company relations programs. Such an arrangement would enable each segment of the program to contribute to the success of the over-all public relations activity.
Of course one realizes that 100 per cent performance in government relations is as impossible as it is in any activity, however a rule that will assist in a possible 90 per cent performance is to have the proper company official deal directly with the proper government official. Washington is a city that deals more readily and more successfully with individuals than with corporations, therefore the personal factor increases possibility of success.

From this discussion we must recognize the necessity of management discretion when selecting those who are to contact Washington and other governmental agencies. Upon this selection rests the calibre of the government public relations program, and the degree of success it achieves.

In maintaining a plus relationship with governmental agencies and officials an organization can put its best foot forward by being alert to express its appreciation for services rendered congressmen, and by keeping them informed of your situation with facts. A factual statement presented to the representative periodically will do much in accomplishing the goal.

Don't send an inexperienced, or uninformed individual as your representative. A competent person versed in government affairs and armed with public relations know how is a must in the fast company of a local courthouse, statehouse, or on capitol hill.

Experts agree that it is best not to depend on lobbying, a more effective method would be to take the problem back to the people, this can be accomplished by having plenty of press releases at congressional hearings, for experience has pointed out that what the public hears is often more important than what goes into an unread record.
On some measures of broad general concern it is advantageous for the organization itself to make a formal presentation to Congress, however this is not enough, most legislatures really want to know what their constituents think about a pending measure, they want to hear from the constituent in his own words, and not through canned messages, chain letters, or mimeographed protests. Homespun communications are attention getters that beget most complete and immediate results.

One basic principle should be remembered in dealing with government officials, that is, to gain his understanding of your public relations problem, you must understand his public relations problem. In view of this one of the very first requisites in dealing with governments is to make a real effort to understand the men with whom you are to deal. It would seem that the most important factor in dealing with the government is attitude, and knowledge of the situation, a mastery of these with the final key of your personal attitude, will do much to insure success. Experience reveals that your own attitude evokes an attitude among government people you are working with, and in the end the two attitudes are likely to be identical.

Since the late thirties, when Northeast Airlines helped to initiate a fire watching service over its routes throughout New England,33 the company has enjoyed favorable relations with local, state and national governments. Emergency relief during disasters such as floods, forest fires, and hurricanes, has been the rule, with the company rather

33Interview with Mr. Arthur A. Brennan, Manager Employment and Training, East Boston, May 21, 1954.
than the exception. This along with the invaluable pioneering service rendered by Northeast during the war in chartering a then unknown North Atlantic flight route to England, and noting the support of the entire New England congressional delegation in regard to the Florida extension leads us to believe that New England's First Airline enjoys favorable and above average government relations.

Said Mr. George Wiswell Sr. president of Chambers and Wiswell Advertising agency, in an interview at his main office in Boston, "I think they, (Northeast), handled government relations very well."

Donald Nyrop, legal counsel for Northeast Airlines and former chairman of the Civil Aeronautics Board, along with Baden Peters, former assistant manager of the Boston station, represent Northeast in Washington D.C. The activities of Mr. Nyrop are varied, on a high governmental level, and represent the major effort by Northeast, in the Capitol.

Mr. Peters who opened his office in February of 1954, serves as a liason man between important personalities in Washington and the line as it operates from New York. His office is responsible for informing official Washington of his services, and of Northeast. He is a scheduling trouble shooter who publicizes Northeast Airlines to his special Washington public in any way he is able. Mr. Peters occupies the position of Special Washington Agent, his secretary is his only assistant. Because of this limited operation, much of the detail work cannot be given proper attention. Future plans by both Mr. Peters and company officials indicate an early expansion of this facility.

Well received in the city by congressmen who wanted to know where they had been all this time, managements long considered decision to open this office seems to have been a sound one, which will generate much goodwill to the company.
Relations with the military are good pointed out Mr. A.A. Lane, vice president in charge of operations, "its good, if not better, than any other carrier. We owe this to a better handling on a local bases of our contacts with the air bases. We have a policy not to bother the brass with our problems, but rather to approach the operations man on the job, who in most all instances can tell us more about the situation than can anyone higher up the chain of command."

One of the constant and most troublesome problems Northeast has to face is the difficulty of maintaining or withdrawing service from stations that constitute uneconomical short hauls, or simply do not generate enough traffic to justify operation. When this situation arises and necessitates a withdrawal of service thorny governmental and community problems present themselves.

Procedure has been to send a company representative, usually one of top management, to the trouble area to discuss with civic officials and attempt an understanding. Should this first effort fail, President Gardner attempts negotiations.

Little use of the Air Transport Association is made by Northeast Airlines as far as government relations is concerned. In an interview with Mr. Elmer Thomspoon, director of information, we found that both services offered, and help rendered not as extensive as would be possible.

34 Interview with Mr. A.A. Lane, East Boston, May 26, 1954.

35 Interview with Mr. Elmer Thomspoon, Washington D.C., June 28, 1954.
Results of our examination reflect Northeast Airlines government relations in a contrasting light of effective practices and inexcusable inadequacies.

Personal representation in Washington should be looked upon as a step in the right direction. However the lack of definition of the job and the limited investment so far extended, hamper the full effectiveness of the move.

Keeping informed on all phases of government operation thru frequent visits, contacts with those close to the scene and scrutinization of resultant documents is another essential Northeast Airlines has recognized and established mainly thru its active president and his frequent trips to Washington, D.C.

Enlisting the aid and support of employees thru the recent mass meeting held in connection with the, "Florida Push", along with an attempt to gain support and enthusiasm of local communities and civic organizations indicates an unusual awareness of the intricacies of government relations. Such a program would it seems show unusual insight into the problems involved and point out that government relations at Northeast have arrived at a professional yet not fully competent level.

Community Relations. As Northeast Airlines celebrates its 21st birthday it can take great pride in looking back on the part it has played in bringing to the New England community thru two decades of faithful stewardship, dependable, safe, service, and aggressive civic development.
Serving a six state community populated by over nineteen million individuals, Northeast, "First In New England Skies", and "New England's Own Airline", has offered to three and one half million passengers, economically, sound transportation among thirty-six New England cities. Flying seven hundred twenty million passenger miles Northeast has been an outstanding member of the New England community having been cited by the Air Force for services beyond the normal call of duty in pioneering the North Atlantic Route in World War II.

Prospering mainly because of its reliable service to the community, Northeast has maintained its reputation as a good neighbor and the only airline with a complete maintenance base in New England, by building a million dollar hangar to house the general offices operation at Logan International Airport in East Boston. An annual payroll of more than four thousand dollars adds to the testimony that Northeast has served the New England community and that the community has benefited Northeast.36

"Active participation in the life of the community of which it is a part is one of the soundest investments that any company can make.

"If it were carried on the company's books, it might well be labeled---"The Good Neighbor Project." But it is not an investment in the ordinary sense. It is an investment in human relations, and one that will pay long term returns in public goodwill that cannot be measured by any yardstick, so limitless are its possibilities."37

36A New Lift For New England Loc. cit.,
One of the first steps toward achieving these limitless possibilities is to undertake a careful study of its community, the personalities involved, public opinion, interests, needs, goals, important institutions, everything that bears upon its life and growth---must be taken into account, and analyzed. In essence then, community relations is not a separate and distinct category of public relations, rather it is a broad and fundamentally important approach to several kinds of relations among and between groups of people. Community relations utilizes a common meeting ground between the company and its publics, attempting nothing more than to be a good neighbor.

Despite the similar communities, the fundamental approach, and the common meeting ground, every community relations program to be effective must be custom tailored to fit the relationships between a given company and a given community.

Because of the nature of Northeast, a vast community, beset with seasonal, local, and regional problems, complications as to the best course to follow confront management daily.

Within Northeast Airlines, rightly, there are two communities to be considered. First that community that surrounds, and is involved with the main company operation in the general offices in East Boston and second, the thirty-six regional communities representing Northeast throughout the line. Realizing that these communities overlap, and encounter similar difficulties we will continue to consider them separately for clarity of organization.
Metropolitan Boston. Community relations activities within the broad civic area of Boston and the general offices, might be divided into two categories, service and development.

Service to this area other than the accepted business of transporting passengers and freight, manifests itself in tours conducted through hangar facilities at Logan International Airport for educational, civic and fraternal groups. Handouts in the form of flight packets are made available.

The tastefully decorated Northeast lobby at Logan International Airport in East Boston, with its delux lounge area and interesting Link Trainer display, might also be considered a community service. The Link Trainer enclosed in a glass partition is utilized by the company for pilot checks. Personalized explanations of the function of the trainer are provided for touring groups. Car rental service is available through the Hertz Agency desk which is maned in the lobby.

In some contrast to these facilities and the impression they create, is the company’s hangar housing its general offices and maintenance operation, in East Boston. Although the city transit system passes very close to this location and has two stops within a short distance, the public approach to the offices, except by car, presents a number of problems. The "airport" stop of the subway which is nearest to the hangar necessitates taking a narrow walk on a heavily traveled bridge, rather than at the subway stop. This approach is also complicated by a high fence around the hangar area and a gate which is kept locked. At best the main offices are difficult and unpleasant for pedestrian visitors to approach.
Those arriving by automobile are also somewhat handicapped by
the absence of any directions to either the visitor’s parking area which
is provided on the far side of the building or to the building itself, which
is identified one side only. Because of this, those finding the building,
quite naturally enter the nearest parking area and the nearest door, which
is the back entrance to the building and a storage area. No directions
are provided and there is no indication of a welcome to the company’s
offices. Landscaping and sidewalks are noticeably lacking throughout the
area. Floor directories inside the main entrance and on each floor are
quite adequate, but other than these there are no apparent facilities for
receiving the public. Miss Royle could hardly be considered adequate
in this respect.

Financial assistance to large fund raising campaigns is rendered
by Northeast in Boston. However company policy dictates that contribu-
tions to regional areas or individual stations must be managed by the
District Service Manager from his individual budget. Observes Ann Wood,
“If the local District Sales Manager can squeeze a contribution from his
budget that is up to him.” 38

Cooperation with educational institutions in providing personnel
and materials to promote aviation and Northeast is furnished “Career
Day”, in the Boston High Schools, and participation in the Norwich
University initiation of aviation curriculum, are examples of Northeast-
educational cooperation.

38 Interview, (East Boston), June 4, 1954.
Open house activities although not an individual Northeast undertaking are conducted in cooperation with the Airport Manager.

Locating and assisting in the spotting of unreported forest fires throughout Maine has in the past several years contributed immeasurably in saving valuable state timber land, and the loss of human lives.

This arrangement utilizing Northeast flights over forest areas has been highly praised by the Maine Forest Service.

Although not a formal speakers bureau, Northeast does arrange for speakers from within its organization upon requests from civic and fraternal groups.

In the field of athletics, the East Boston Little League sponsored by Northeast serves to connect the airline with a worthwhile and popular community endeavor.

Active participation in all worthwhile community activities is encouraged by top management for every member of the Northeast organization. Leading the way as one of the most active civic leaders in the greater Boston community, President George Gardner gives a great deal of his time to non-profit service.

The development of New England and Northeast has progressed with mutual assistance from, each and success to both.

Development of existing vacation facilities and the potential of the New England area has made Northeast an expert in vacation travel and in moving peak vacation traffic is recognized as being among the best in the industry. While achieving this reputation the company was developing latent vacation areas, and servicing those already established, thus
assisting to a great degree in the development of a multi-million dollar year round New England vacation business.

Attempts now to further this development of New England in connection with a route extension to Florida would provide several advantages to the New England community.

For instance, a one carrier service between New England and Florida, one carrier service between New England and Washington, and elimination of the New England subsidy, with an assurance of continued growth of New England's vital local service.

**Regional Stations.** Relations with the regional communities representing the thirty-six Northeast stations over the line in the main follow the pattern of those employed in the Boston Metropolitan area. However it should be noted that this similarity is not a result of a dictated program or of company policy but rather a chance occurrence developing from the existence of similar problems.

The greatest service rendered to regional stations in many cases involves the passenger service itself. Short haul problems with only a few miles separating landing involves operational costs that result in financial loss, or at best present only meager profits. The generation of sufficient passenger loads throughout small communities serviced, constitutes a second hurdle encountered along the line.

Despite the difficulties and sacrifices involved in serving all of New England, top management seems to be dedicated to this cause. States Mr. Robert L. Turner, vice president in charge of sales, "I don't just mean scheduling planes in and out; I mean shouldering responsibilities for the growth and development of the areas we serve." 39

39 Interview, (East Boston), June 28, 1954.
A dramatic illustration of the degree of responsibility felt by Northeast toward this regional community was enacted during the wildcat mechanics strike in December of 1952. With no thought as to the possibility of any other decision, and because of lack of serviceable aircraft, flights between Boston and New York were discontinued for the duration of the strike. Only those communities that had no other air service were considered during the emergency. Communities dependent on Northeast were regarded as most important, despite financial loss and operational difficulties.

An analysis of press clippings concerned with the problems of passenger service to small communities indicates several things:

Primarily these problems seem to exist because of misunderstandings between community, civil aeronautics board and the airline. When minimum operational loads are not met, or when safety requirements fall below Northeast standards, communities protest the withdrawal of passenger service, and cry manipulation, monopoly, franchise abuse. In some cases evidence has been presented to indicate that the fault lies with incomplete information furnished by the Civil Aeronautics Board to the city fathers. At other times Northeast itself seems not to have been articulate. However, in most all instances comments indicate Northeast's inability or unconcern in withdrawing gracefully.  

---

40 Article in the Sunday Standard (New Bedford Mass.) Times, July 4, 1954. Mayor John F. Kane of this city is demanding Northeast Airlines provide regular air service through the city's municipal airport or pack up its franchise and leave. The attitude, drawn clearly through an appeal by Mayor Kane to the Civil Aeronautics Board in Washington and in later pronouncements, appears thus far to have had little effect on Northeast Airlines. Mayor Kane wants Northeast to operate in both
Company policy to date seems to have been based wholly on a factual presentation of why Northeast cannot afford to stay. The profit angle appears to have wounded much community pride and individual feelings.

Relations with these disgruntled communities past, and potential, seem to constitute the major community relations problem of the Yankee Fleet. Press clippings and public reaction indicate that it is a serious situation which could negatively effect the proposed expansion program and the future operation of the company.

Passenger Relations. Miss Alma Gallagher is attending an alumnae meeting at Saint Mary of the Woods College, Terre Haute, Ind., this afternoon. She arrived at Laconia airport Friday noon, expecting to board the Northeast plane, when word was received that the plane would not make the Laconia stop on the trip south from Berlin. Miss Gallagher drove her car to Logan airport in Boston, where she caught an American Airline plane at 5:30 p.m. Through American Airlines she obtained a seat on a TWA non-stop flight from New York to Indianapolis, arriving in the Indiana capital at 11:15 p.m. somewhat later than she originally planned. She will fly home Sunday. 41

Fall River and New Bedford two cities separated by some 16 miles by air and only a few minutes by air.

Article in the Union (Springfield Mass), July 7, 1954. Mayor Capeless today took officials of Northeast and Mohawk Airlines to task, claiming that the companies were selling Pittsfield down the river. The Mayor said he had predicted that both companies were claiming that they would give Pittsfield air service to New York and Boston only because they were after franchises which would afford them more lucrative business and that they would drop the Pittsfield stop.

41 Article Laconia Citizen, June 5, 1954.
I am writing this short note to express my sincere appreciation for the fine way which my mother, age 82, was treated on her first trip aboard your Montpelier-Boston flight, 235 last Friday. Everyone, stewardess, porter, ticket agent, and baggage man, was so nice to her, she did so enjoy her ride. A special orchard should go to your station agent at Montpelier for carrying mother off the plane.

If as some experts say, the successful business is one that concentrates on winning customers and not just making sales, and that most customers name convenience, dependability, and an honest desire to satisfy, as the major factors in their selection of a particular service, then, we can without difficulty select the situation which would produce a new Northeast customer.

Approaching passenger relations from this sales standpoint we might say that a successful program to develop this phase of public relations depends on a variety of elements, one of which would be to train the employee to please the customer at the point of sale. Surveying the customer opinion, educating the customer through exhibits and reports, taking into account human qualities of customers, personalizing the company, utilizing letter writing, advertising, speaking before consumer groups, keeping the customer sold through work of mouth, plus publicity, adequately handling complaints, and working with dealers and suppliers are some of the elements necessary to an enlightened program of public relations.

42 Our President Wants To Hear From You, Northeast Airlines, (East Boston), June 1954.
Attempting to develop an understanding among over one thousand employees that the demanding customer who loudly interrupts the smoking break is the same customer who supports their pay check, is a task that although not impossible, is indeed formidable.

Passengers, although perhaps looked upon privately by employees as a necessary evil to business, must be regarded realistically. Without passengers there can be no business, and no passengers come without sentiments, hopes, capacity for resentment and other emotions. Following this line of thought we must recognize that in dealing with these passengers, who are really just people, we must also deal with emotions. Thus we might conclude that getting along with many people many times depends on knowing how to say things, rather than specifically what to say.

Northeast speaks to its passengers chiefly through its time tables, which are revised and published eight or nine times per year. A one-page fold-over two-color, illustrated sheet table is designed for convenience in reading and locating information concerning Northeast operations. Accuracy and reliability are stressed in this external publication which reflects passenger wants and needs through comments included on a flight packet enclosure entitled "Our President Wants to Hear From You".43

43 Interoffice letter from V.P. Sales (East Boston) September 22, 1953.

To: Department Heads-Dist, Sales Mgrs-Station Mgrs-Res. Mgrs.
From: Vice President - Sales
Subject: Below
Date: September 22, 1953

I am sure that you are all familiar with the company form entitled "Letter to the President", which is enclosed in each flight packet on our
Here is a breakdown of the types of "Letters to the President" which were handled by the Sales Department during the months of March, April, and May, 1954.

Praise 92
Complaints 63
  Ticketing 9
  Baggage 11
  Reservations 12
  Food Service 4
  Operators 12
  General 5
  Schedule 9
  Maintenance 1
Miscellaneous 31
  includes questions regarding schedules, requests for maps etc.

TOTAL 186

These figures represent a light period. During the summer many more are received. They will all be answered by individual letters.

airplanes. This is a form for use by our passengers to make suggestions for improvement of our service. The information contained in these letters, both of a complimentary and a critical nature is invaluable as an indicator of the kind of service Northeast Airlines is offering to its customers.

Because of the numbers of these forms and letters being sent in to Mr. Gardner and the urgency of handling these letters as quickly as possible, we are changing our handling procedures.

All letters will come directly to --- in my office. Miss --- will read them and if they are of a routine nature, they will be answered by the Sales Department immediately upon receipt. If there is a complaint about some phase of our operation, a letter of acknowledgement will be sent immediately by the Sales Department to the passenger and the original letter of complaint will be forwarded to the proper department head for investigation and answering. These forms and letters should receive priority treatment and the answer should be sent to the passenger within five days.

The complete file with copies of all correspondence should be returned to --- Sales Dept. who in turn will forward the completed file to the District Sales Manager concerned, for their information and action if needed.
Further examination of returns on, "Our President Wants To Hear From You", utilizing seventy-five questionnaires results from July provided the following statistics:

1. 25% indicate that they experienced difficulties in efficient handling of their reservations and/or prompt information about services.

2. 3% indicated that airport attendants were not helpful and courteous.

3. 8% thought that their baggage was not handled properly.

4. 100% replied that the stewardess was courteous and helpful.

5. 1% doubted that everything possible was done to secure maximum passenger comfort.

Among the miscellaneous comments included in the remarks section of the returns several general ideas seem significant. Most often mentioned was the excellent job done by the stewardess, in both routine and emergency matters. Much criticism was leveled at late flights, informing passengers as to the reason for the delay was indicated as a possible solution. General delight and surprise at the type of food served, with indications that much less was expected was a third comment often repeated.

From this display we might conclude that passenger relations at Northeast are not in a perfect condition, however, we must admit that the company has shown an alert attitude toward the importance of examining passenger attitudes, and has employed an effective if not completely reliable instrument to sample those attitudes.

Cognizant of the dollar value of effective passenger relations since the first days of operation, Northeast has gradually, through trial and
error, advertising, and special employee training programs begun to acquire the techniques necessary to satisfy this most important public. It would seem that to complete the job contemporary ideas regarding the utilization of these and more refined techniques along with a concentrated effort to more effectively perform routine services should be adapted.
CASE STUDY

Florida. An interesting and current example of Northeast's dealings with each of its major publics may be seen in the company's day to day efforts to obtain an extension of its airline route to Washington and Florida. Now a major concern of the company, effort is being directed by every department to those things which will help obtain this route, and management and officers of the company are working hard toward this end. Chief planners of the company's efforts include the public relations director who meets with the president, vice president of sales, advertising agency representatives, and company lawyers. This group has been handling a step by step effort which has been carried out in a series of planned "phases". The first of these was planned in January, 1954, and included publication of two booklets, both planned to sell the public on the need for this route extension. The first of these, A New Lift for New England, appeared on March 19, and was followed by A New Salesman for Florida. Phase one concentrated on alerting and informing people of influence; the second phase began by developing a presentation for company employees and then community groups. Congressional and civic support were responsible for response from the Board which indicated a fall, 1954 hearing.

In 1951, Northeast Airlines applied to the Civil Aeronautics Board for a new airline route from New York City to Washington and Florida and
until May 18, 1954 had been waiting for the Board to set a hearing date at which time the arguments can be presented for the route. Although a date still has not been set, the Board has indicated that the case will be heard in the fall of 1954.

In its annual report for 1953, the company pointed out that by the simple expedient of extending Northeast, the CAB could achieve several highly noteworthy objectives. The Board could, first, solve Northeast’s basic economic problems, which stem from its ultra short-haul operation and the highly seasonal traffic demand in New England. Solution of these problems should mean freedom from subsidy. The Board could, in addition and just as importantly, relieve the pressing need for additional service between New York and Florida.

The advantage to Northeast of having long-haul segments; such as, New York-Miami, Washington-Miami, New York-Tampa, Washington-Tampa, New York-Jacksonville, to offset its ultra short-haul New England segments would be of tremendous economic value, for experience has shown that in every form of transportation the per mile cost of short-haul operation is markedly higher than that of long-haul operation. Just as significant from an economic standpoint would be the seasonal balance of traffic and operations which Northeast would achieve from a Florida extension.
That there is abundant "room" for Northeast in the New York-Miami market is evident. The New York-Miami segment, "the richest route in the world", is at the top of the list of all route segments in the United States in terms of traffic density, both as to number of passengers and total passenger miles. In addition, the principal cities which Northeast would serve between New York and Miami (Washington, Jacksonville, and Tampa) are all important traffic generating points.

The New York-Miami segment, one of the routes which Northeast seeks, is served not only by two certificated carriers. Many route segments having much less traffic strength are served by and support three, and in some cases as many as four, certificated carriers.

Northeast's extension would, of course, link all New England with Washington and Florida and is, therefore, a matter of public interest and concern to everyone in New England.
II

CASE STUDY

Employees Meeting. On June 28, 1954, at 8:30 p.m. in the Amelia Earhart Hangar, (Hangar # 6), a mass meeting of all Northeast Airlines Employees, their families and "interested" friends was held to discuss the extension to "Miami".

The meeting was called by the President George E. Gardner for two reasons. First; to acquaint employees with the current status of the application for route extension to Florida, and second; to use the employee audience as a testing ground for the presentation drawn up by the company's advertising agency to be shown to leading civic and fraternal groups throughout New England. The audience was informed of these reasons.

The notice of the meeting which was sent to all employees appears below:

TO: All Personnel
FROM: George E. Gardner,
SUBJECT: Hangar #6 Meeting
DATE: June 17, 1954

This is to advise you that there will be a Hangar #6 Meeting, June 28, at 8:30 P.M. for all NEA employees, their families and interested friends.

Now that the C.A.B. have stated we will have a Fall hearing there is much to be done and each and every employee can play an important part in achieving final success.

As we are entering Phase II this will be outlined to you as well as the role that you can play to make Miami a certainty.
After the presentation there will be a question and answer period.

As our extension to "Miami" is vital to you and your job, a 100% turnout of all NEA'ers is expected.

The meeting was introduced by President Gardner with a few remarks stressing the need for such a gathering and explaining how the presentation would be used.

Mr. Turner, Vice president of Sales acted as narrator for a 60 minute slide program aimed at pointing out the need for such an extension of routes by Northeast, and the benefit such a move would be to the New England Community.

Following the slides a question and answer period was opened but did not produce any questions.

The meeting adjourned about 10:00 p.m. after each employee had guessed the number of revenue passengers Northeast would board during the month of July. Two prizes were to be given to the closest guesses. Approximately 400 attended the meeting.
CASE STUDY:

"Plane In Bay". In February of 1953, Northeast Airlines suffered a complete loss of a Convair 240 aircraft while landing at LaGuardia Airport in New York. No passenger or crew member was seriously injured, the aircraft was completely covered by insurance.

Minutes after the crash, the general offices at Logan International Airport in East Boston, were notified by inter-company teletype.

Mr. A.A. Lane, vice president in charge of operations, was selected to go to the scene of the accident to handle details. Because of bad weather Mr. Lane was forced to proceed by automobile and did not arrive in New York for several hours.

Upon arriving at the scene Mr. Lane set up press headquarters in the police room of the airport.

Primary consideration was given at once to the families of passengers, each passenger was assisted in contacting relatives to report his safe status.

The press was made to feel that Northeast, "wanted to do anything to make it easy for them. All the cooperation we could produce was given to the press, we also attempted to keep the hospitals adequately contacted."

1 Interview with Robert L. Turner, vice president sales, (East Boston), May 26, 1954.
The entire operation was coordinated between Mr. Lane in New York, and Mr. Turner in Boston. Press information was not released until both men saw it.

An attempt was made to give out all the information possible as soon as it could be confirmed. No measures were taken to hide anything from the press, nor was there any idea of stalling. "I insist on: we tell them the truth in all situations, as soon as we know it, telling them as soon as possible tends to minimize it." ¹

Interesting sidelight of the crash was provided by Mr. John Dowed then head of the company's advertising agency. Mr. Dowed was aboard the plane when it crashed and when rescued took charge of the press until company officials arrived.

Later the thirty-seven passengers were contacted and all signed company releases, except two, one of them was Mr. Dowed who has not yet signed the release.

Mr. Turner observes that in public relations work the toughest one to handle is the disaster. We must remember to consider two main groups, first, the passengers families, second the press, and also to apply an affirmative twist to all releases. If it were to be handled again Mr. Turner indicated he would go directly to the scene. ²

Other disasters procedures follow closely those of Eastern Airlines.

¹ Interview op. cit., May 26, 1954
² Ibid.
CHAPTER VII

EVALUATION OF PUBLIC RELATIONS

Always a difficult thing to evaluate, the public relations - policies and practices - of an airline are no exception. The fact that public relations practices have always been a part of the organization of Northeast Airlines, and have grown up with the company, indicates something of its value over the years. Its position of importance in today's organization and the contributions being made by the public relations department are strong indications that it is a significant part of the company's overall program.

As an evaluation of Northeast's public relations, the following discussion indicates an evaluation by employees of the company. Following this is a critical analysis of the position occupied by public relations in the organization.

I. QUESTIONNAIRE FINDINGS

The administration of questionnaires (see illustration III) to a representative sampling of employees made it possible to view the company from within and to see what a group close to the situation have to say about Northeast's public relations.
QUESTIONNAIRE FOR EMPLOYEES

This is an independent survey being conducted by Boston University graduate students. Frank answers and any additional comments you care to make are solicited.

1. Is "Northeast" a good place to work? Why?

2. Do you know what the company expects of you, and what it's trying to do for you?

3. Do you have a chance to talk over your work or your ideas with your immediate superior?

4. How do working conditions at "Northeast" compare with other airlines?

5. Why did you choose to work for "Northeast"?

6. Does "Northeast" offer any benefits to employees that other airlines do not?

7. What improvements would you like to see made at "Northeast"?

8. Are you kept informed on the company's problems and plans?

9. Does "Northeast" have a good reputation among employees of other airlines? Why or why not?

10. What effect do you think it will have on the company if the route to Florida is granted? If it is not granted?

11. How do you keep up to date on what is going on around "Northeast"?

12. Do you understand why the government is subsidizing "Northeast"?

13. If you were to work for another airline which one would you choose and why?

14. Would you encourage a friend to work for "Northeast"?

15. When at work, where do you eat your lunch? Is this arrangement satisfactory?
16. What are the main problems of "Northeast", and what are the best solutions you have heard?

17. Do you think the company has good public relations? Why or why not?

18. Do you know who, if anyone, is in charge of public relations for the company?

19. How is your work important for good public relations for "Northeast"?

20. Do you receive the Weathervane regularly? Do you take home a copy? Would you like to have it sent home? Yes No Don't care

21. Are you familiar with the general operation of the company? What sections would you like to know more about?

22. Have you ever read the annual report? Are you a stockholder?

23. Do you know of any company activities or people connected with the company, which would be of news value? What please?

24. Are you a member of the Yankee Fleet Association?

   What would you say the primary function of the organization is?

   Do you take an active part in it? Why or why not?

Thank you for your time and co-operation. We hope that a study of the answers received will be of benefit to both you and "Northeast".

Robert H. Kerr
Director of Personnel

When completed please forward to

Ann Wood, Boston. It is not necessary to sign questionnaire.
An analysis of results produced the following general employee answers.

When asked if they liked to work at Northeast over 95 per cent indicated yes. Most frequent reason given for this choice was the small size of the company which affords training in various jobs, and allows contact with the entire organization.

Half were not sure what the company expected from them. Answers here ranged from, "blood," to a simple, "yes." Most frequent answers were "work."

Answers indicated a lack of understanding between supervisors and workers as far as "talking over work," was concerned. Over 60 per cent pointed out a complete absence of supervisory action in this way.

Working conditions are regarded as adequate with some comment on insecure seasonal hiring. When asked why they decided upon Northeast Airlines as a place to work, answers were divided equally between geographical location and interest in aviation.

Sixty per cent regard Northeast as having more employee benefits than other carriers. The employee pass policy was mentioned in over half of the replies. In the negative replies, low wages was most frequently cited.

Air conditioning for home office and, "on time operations," were the two improvements mentioned as most needed in the company.
Over 65 per cent felt they were informed on company policies and plans. Opinions as to the success and failure of the route extension supported this informed view and indicated an understanding and interest in the "Florida Rush". Reported benefits from the extension were used as self-support, growth, better pay, and year round employment. Should the application be delayed a setback in moral, merger with another line, and/or another proposal were seen as results.

Only 10 per cent felt Northeast did not enjoy a good interline reputation.

The Weathervane, house organ is not responsible for keeping as many people up to date as is the grapevine, although everyone receives it. Supervisors run a poor third as sources of information.

All indicated an understanding of the subsidy with correct reasons backing these yes answers.

Expansion was the almost unanimous solution presented for company troubles.

When asked if Northeast has good public relations only about 30 per cent said yes. A general impression given was that most of Northeast's public relations effort went toward "VIP'S," with no concern for, "John Q. Public."

Nearly 100 per cent said they were familiar with the general operation of the company, all had heard of the annual report although only two had ever read it.

The Yankee Fleet was regarded as a fine organization participating in charitable work and parties. Half those questioned said they were members.

The questionnaire reported just one Stockholder-employee.
II. PUBLIC RELATIONS DEPARTMENT

As another approach to evaluating Northeast's public relations, the following brief attempt is made to evaluate the company's public relations department. This also serves as a basis for the thinking presented in the chapter of summary and conclusions which follows.

Without repeating the organizational structure and makeup of this department (chapter four), or re-examining its practices and policies, it would seem to be an honest evaluation to say that here is a department functioning effectively and making a definite contribution to the company without the benefit and guidance of an over-all, well thought out, written public relations program.

The need and value of such a public relations program are recognized by the public relations director who agrees that it would contribute to a more widespread and consistent practice throughout the company. Those evidences of a program that are present, however, are sound accepted indications of current understanding and effective practices of public relations.
CHAPTER VIII

SUMMARY AND CONCLUSIONS

Public relations at Northeast is a continuous function and is the result of the combined efforts of a large number of people throughout the organization. An attempt is made in this chapter to draw together and restate some of the findings of earlier chapters in order to arrive at some of the more important findings of the whole study.

I. SUMMARY OF FINDINGS

At Northeast Airlines, public relations as understood and carried out by each department results in both good and bad practices as part of an overall picture.

The foregoing chapters of this study contribute the following as the more important findings of this study:

Employee relations -- No business can hope for success unless its relations with its employees are sound, fair, and mutually satisfactory. It is most important that employees should be well informed about the company, for if they do not understand and think well of it, others can't be expected too. This is one of the major concerns of the public relations department at present.

Directors and Stockholders -- Attention to directors and stockholders is another important aspect of the internal relations picture which cannot be neglected. Only meager efforts are being exerted to inform and utilize these groups. As in the case of too many companies,
stockholders, especially, are treated as almost negligible quantities and receive little more than the legally prescribed reports, presented for the most part in dull, uninteresting format.

Communities -- Not the least valuable service public relations can render is to help the firm improve the standard it enjoys with its own community. Public relations can help to build up local good will by dispelling misunderstandings and by conveying factual and truthful information about the company to the public. In each city served, as especially in the city where the home office is located, the company is responsible for some effort to see that the public knows what Northeast is doing and what it means to that city. It should and does take a proper part in community activities.

Publicity -- The public relations department should be prepared and equipped to handle the making, publishing, and circulation of news and the publication of the company's house organ.

Government -- Since Northeast is a closely regulated company, operating through public air, with terminals owned by thirty-six communities or states, serving the public, it must do everything possible to keep its relations with many government - foreign, federal, state, and local -- as satisfactory as possible. It is vital to first, understand the governmental problems, and then, have them understand those of the organization.

Passengers -- Every contact with a passenger needs to be used to sell the services of the industry; and make the passenger a customer,
satisfied, with his purchase of the company's service. The customers of the airline need to be so treated as to instill confidence in the industry as a whole.

All linked in some way to the company's public relations are a number of problems which the company faces. The major ones at the moment are: extension of the company's route to Florida and Washington; removal of the airline from subsidy payments from the government; and a dividend to stockholders. These are so closely associated, they are usually discussed together.

Other problems, all with definite bearing on public relations, which face the company, and which represent the findings of this study, include:

1. A lack of effective internal communications stands out as one company problem that generates other organizational difficulties.

2. Local government relations in regard to Northeast's operation from airports that are either below company safety standards or located in areas that do not generate a payload, both seem to be constant growing problems facing Northeast management.

3. A way to tell the paying public the problems that are involved in operating an airline.

4. More adequately staffing various company functions so that they may perform more effectively.

5. Realizing the successful operation of the Air Cargo program.

As an additional thought in summarising the findings of this study, it should be pointed out that high morale on the part of the employees of Northeast was evidenced throughout the study, although
a feeling of company inferiority based on small sized carrier and subsidized operation tended to mar the otherwise unusually high company spirit.

The utilization for their valuable contribution, of polls, surveys, or other tools for opinion measurement, seemed to be pretty well restricted to flight packet cards giving passengers an opportunity to write to the company. Important as these “external” polls are, they are no more important than the internal polls or the other and often better means of determining employee thinking.”¹ There were no evidences at Northeast of internal polls of any kind.

Other usual phases of an airline public relations program which are, for one reason or another, being neglected or left out, but which might make a valuable contribution in helping employees become public relations representatives of the company include: orientation to the public relations program, refresher training programs, and contacts with executives of the company.

¹ Wilson, Ibid., p. 482.
II. CONCLUSIONS

Northeast Airlines is doing a superb job in many areas. Its history spans twenty-one years of aviation's progress and stands as a tribute to the men and women of this company who have pioneered commercial air transportation throughout New England. This extension of service to thirty-six New England cities, Montreal, and New York indicates the scope of this contribution and the sound basis of operation as well as the promise it holds for the future. A well-organized, competent group of employees are contributing daily under outstanding management to the company's exceptional record of operation and service.

The following conclusions arise from careful examination and study and are formulated on the basis of the findings already summarized:

1. The primary public relations need, in our opinion, is to re-examine the position of public relations in the organization in order to establish it as a function of top management of equal importance and concern to all departments of the company. In this way it might serve all other offices and all departments without regard for jurisdiction. Under its present organization as part of the sales department, it is impossible to achieve this important company-wide interpretation or close relations with top management which are a requirement if the department is to function most effectively. This would make it possible for public relations to submit reasoned advice on general policy for the furthering of the objectives of the company, as well as to prevent steps which might in any way hinder such progress. Public relations then, would be functioning in a true advisory capacity interpreting public reactions in advance and counseling throughout the organization to avoid public problems and misimpressions.

Without reservation, then, it is our considered opinion that the public relations department should answer directly that the
president, rather than to a vice president, and be a branch of the organization directly under his office rather than under one of the departments of the company. One immediate advantage of this move would be the opportunity to formulate a public relations policy and to aid in implementing company policy from a public relations standpoint.

2. One of the primary needs facing Northeast Airlines public relations department is the formulation and adoption of a unified, long-range company-wide public relations program. This positive program should deal specifically with relations with employees, communities, passengers, governments, directors, stockholders, and any other major publics of the company. This would tend to overcome a present weakness of the public relations department, which, as it operates today is not designed to meet enough needs. This lack of a public relations program reflects a need for public relations policies as well as clearly defined company policies.

In consideration of both of these conclusions, it seems fundamental that the company - directors, officers, and management -- guard against the attitude that public relations is surplus, and "extra", an expendable part of the company organization which must be sacrificed in pressing times, or a luxury. Since this is far from the truth, an organization that fails to recognize the importance of public relations when it is needed most and can be of most valuable, it will not be in a position to appreciate its value at any other time either. Instead, it seems important for the company to take the more enlightened view that this is one of the times when public relations with all its tools and devices is a veritable necessity. Public relations will always be a vital factor in the growth and development of any company or organization and especially one that depends for its support and existence on the public it serves.
In addition to the establishment of a public relations program to guide the activities of the department, it is our opinion that there needs to be an examination of the emphasis being placed on some aspects of present practices, especially publicity.

3. The publicity efforts of the company's public relations department need to undergo changes in the future in order to conform to the pattern of needs and developments. It seems apparent that to date, not enough has been done to acquaint the public with the airline, or with the development of commercial air transportation and its future possibilities; and, not enough has been done to interpret the airline or the industry to the public in the language of people's thought, habits, and personal interests. This might well be considered the publicity job of Northeast's public relations department in the future. On the basis of this study, there are indications that a more adequate publicity program is needed with emphasis on those aspects of publicity which will make the company known and which will tell how it is serving New England. This is not to suggest that publicity become more than a part of the over-all job, but rather, only that it be recognized as an important function, and handled somewhat more adequately.

4. It is also our conclusion, that this study topic was not sufficiently limited. Not only did it attempt to examine by analysis and evaluation a broad and general field of activity, but it attempted to do this against an even broader background of the industry it is part of. The result has been the necessity for including much that does not apply specifically to the public relations problem at hand, but which seemed important to an understanding of this and a background for this study. A more specifically defined topic, such as one aspect of the public relations program of Northeast, would have proven more manageable. This is offered as a suggestion to anyone engaged in a similar endeavor in the future.

III. RECOMMENDATIONS

In order that they may carry as much weight as possible, and so that some significance will be attached to them, this study carries only two recommendations. In effect, these embody the thinking regarding most
of the company's principle public relations problems and offer a solution to problems which have been raised or suggested throughout this study.

As has already been indicated, Northeast is doing a superb job on many fronts. From our analysis of the situation, however, they have not given sufficient value to some of those small, but highly valuable techniques of public relations which could tip the balance in their favor in assuring the future, and more specifically in securing the extension of the company's route to Florida. As an example of this use, there is Robert R. Young who gained control of the New York Central this year by employing highly successful public relations techniques.

Perhaps the management needs to raise its sights. With this reasoning in mind we recommend that the public relations department be established directly under the president, responsible only to his direction and operating independent of other company departments.

Furthermore although Northeast now has competent public relations service in the organization, this is largely on a local or regional level. We recommend that Northeast Airlines employ professional public relations counsel to work with the company's public relations director and to assist in extending the airline's route to Florida and to improve areas in which questions have been raised by this study. The following questions have been raised:

Are the company's stockholders receiving adequate information about their airline presented in an attractive manner?

Are Northeast's stockholders satisfied with the information they are receiving?

What use is the airline making of sound business techniques that are standard in determining the effectiveness of advertising, public relations, and sales efforts?
Is there a clear conception throughout top management of the difference between advertising and public relations?

Could Northeast get a better acceptance by Washington correspondence of the nation's press for its case when hearings are held in Washington?

Could Northeast really develop regional pride in New England by an intensive and well thought out public relations program?

Is the whole area of the nation's aviation press being virtually ignored?

Is Northeast doing enough in Florida to arouse sentiment for a new airline to accommodate holiday visitors?

With its historic association with the world's two greatest women fliers can the sympathetic interest of women be aroused as Robert Young did to gain the support of women shareholders in his crucial fight?

Is Northeast Airlines in danger of losing its great growth opportunity by failing to recognize fully the intense interest on the part of the public in its problem?

Advertising and lobbying alone will not get this airline to Florida and thereby solve its most pressing problems, but conservative, well thought out, and sustained public relations effort can do so.

We believe that Northeast Airlines management is aware of these problems and it is in view of this that we respectfully suggest that professional public relations counseling is needed to implement their solution. A fresh, objective, outside point of view could, in our modest opinion provide the solutions that are needed in this situation.
BIBLIOGRAPHY
BIBLIOGRAPHY


Bibliography


APPENDIX
APPENDIX

Appendix A. Notice of Annual Meeting of Stockholders 1954

Appendix B. Annual Report 1953

Appendix C. Employee Suggestion Plan

Appendix D. Retirement Plan

Appendix E. A New Lift For New England

Appendix F. A New Salesman For Florida