
United Family News



Published by United MEC
AIR LINE PILOTS ASSOCIATION
June 15, 1989 Volume #89 - 3

Special Anniversary Issue!


As your MEC Chairman I have long believed in the necessity of studying history in order to avoid repeating those actions which have previously yielded bad results. It also allows us to identify the strategies and tactics which have had a positive influence on events. In that regard, after having reflected on the accomplishments of the United pilots since 1985, I believe that much of your contemporary history will not only be repeated, but is destined to become a blueprint of the future for those who study it. Indeed, much of your recent history has already enjoyed that compliment.

This is true of not only the present Eastern emergency, which reflects the benefit of many lessons learned from your various confrontations, but on other airline properties as well, where confrontation has been avoided by sharing your experiences in resolve born of preparation and education. But the strength of your unity and your historical ability to focus on fundamental issues has not gone unnoticed by the rest of labor. Your recent history of strongly influencing the direction of your company has, perhaps, garnered the most attention, not only in labor circles, but at the highest levels of corporate influence throughout America and the world. It is certainly well understood by the United pilots that employees *who* have the economic power to become owners of their entire company are never going to settle for financing any part of it without at least owning the part they are asked to underwrite. The days of airline pilots financing capital equipment purchased for third-party shareholders shall not return to United Airlines!

The following article on your recent history entitled: "FROM WOODEN WINGS" is published in commemoration of the end of the 29-day strike by the United pilots in 1985. This excellent chronicle of events since 1981 was written by SFO F/0 Pat Palazzolo with research provided by DEN Capt. Hank Kyser and others. "FROM WOODEN WINGS" goes a long way to explain why, in the midst of chaos, disaster, and economic surrender all around us, you, the United pilots, have managed to hold onto your strength, and ultimately your economic power.

For those of you who lived the battle of '85 and are part of its significant history in the annals of airline labor, this article will serve to remind you of those difficult times. To the new-hire pilots at United: Perhaps after reading "FROM WOODEN WINGS", you will develop a sense of knowledge and understanding toward your fellow pilots who so proudly wear their "battlestars." Learn from their experiences!

Today, as we bear down on our present struggle to improve, protect, and preserve our current contract, a working knowledge of your recent history is imperative. And remember, some of this history may need repeating.

Fraternally,

F.C. "Rick" Dubinsky, Chairman
UAL-MEC

FROM WOODEN WINGS

By Patrick Palazzolo

"Fifty years after its foundation in struggle, sacrifice and tragedy, the airline pilots of America, although not quite back to square one, are still facing the fundamental questions their forebears faced in 1931. Can they stand up and fight the good fight, always keeping in mind that justice and virtue do not always prevail, and that 'God,' as Napoleon put it, 'is on the side of the big battalions'? Are modern airline pilots made of the same stuff as the men who created ALPA during the era of the wooden wings? History is waiting for its answer."

The final paragraphs of
Flying the Line
By George E. Hopkins

Those words were written three years before the 1985 United pilots' strike. United's pilots, against substantial odds, fought a fierce assault against their profession by a multi-billion dollar corporation in a demonstration of professional pride and solidarity that would surely have made the men with wooden wings proud. Perhaps history now has its answer.

But as the events of four years ago are remembered, it is important to recognize how the strike came about, and that the strike was just one part of a much broader effort by United Airlines management to radically and permanently reduce the salaries and working conditions of all pilots—an objective apparently motivated simply by the

desire for the financial windfall it could bring the corporation.

However, when the strike had thwarted their efforts, the corporation set out to accomplish the goal in another way. "We thought the strike was the culmination of the struggle," says J.B. Cockrell, one of the longest serving former members of the UAL-MEC. "But what we didn't understand at the time was that the strike wasn't even the mid-point of the battle. The corporation still hadn't given up their ultimate goal of getting our wallets away from us. Only their method had changed."

I. IN THE BEGINNING GOD CREATED JOHN FERG.

In order to fully understand the strike and the significance of the four years since, we must return to August, 1981. UAL-MEC Chairman John Ferg had persuaded the United pilots that it was in their best interest to make drastic concessions to then Chairman Richard Ferris. Ferg and Ferris had become good friends and worked closely during that time in a joint communications campaign designed to win the pilots' approval of a highly concessionary contract dubbed "Blue Skies." When the pilots agreed to the new contract, Ferris loudly proclaimed in the press how he had the contract he needed for United to compete, that there was now "a new partnership between United and its pilots," and that there would never again be an adversarial relationship. Some in

management privately expressed astonishment at the magnitude of the concessions the pilots had willingly given (almost 15% by the company's own estimate). In time, however, many pilots would begin to openly question the relationship that existed between Ferg and Ferris.

Roger Hall, then Chairman of the Negotiating Committee under Ferg, certainly questioned it. Says Hall, "Not many people knew it, but Dick was doing a lot of very nice things for John. On a number of occasions Ferris would pick up Ferg in front of the terminal at O'Hare and they'd drive off and spend the evening together. I went along with John to some of the dinners with Ferris, and let me tell you, they were some of the most lavish things that have ever seen in my life—twelve course dinners served by people in black ties with white gloves. It was really something. I was very uncomfortable at those events and stopped going along because I felt it was inappropriate for Ferris to have that kind of a relationship with the representatives of the pilots. But John loved it! He would always be recognized in front of whatever group happened to be there and Ferris would often ask him to address the group. The relationship obviously impressed John and it was serving Ferris' purposes too. There was no doubt Ferris was trying to buy Ferg."

It soon became clear, however, that Ferris saw the "Blue-Skies" agreement as only the first step in a long-term well-planned assault on the salaries and working conditions

of United's pilots. Jim Engleman, who was Vice Chairman of Washington's Council 11 at the time and later was elected MEC Vice Chairman under Roger Hall, said, "Shortly after the 'Blue-Skies' agreement, Ferris went to the rest of the employees and said, 'The pilots have given, now it's everybody else's turn.' He used the pilots' contract as justification for extracting concessions from the rest of the corporation. However, after Ferris got the concessions from those people, he came back to the pilots in early 1984 and said in his famous '24%' roadshows, 'Everybody has given but the pilots. Now it's your turn.'"

Ferris was clearly using each employee group to ratchet down the other. It was at this point, according to Cockrell, that the MEC finally realized they and the pilots had been set up by Ferris.

Where John Ferg had managed to get Ferris everything he wanted, the newly elected MEC Chairman, Capt. Roger Hall, was of a different mind. From the beginning of his term in late 1983, he repeatedly told Ferris the pilots would give him no more concessions. Hall was adamant. And Ferris was having a difficult time accepting the fact that Hall would dare say no to him. Ferris complained directly to the pilots that he had developed a good relationship with John Ferg, but that Roger Hall was being obstinate and not acting in the pilots' best interests.

"Interestingly, though", said Cockrell, "at the 24% roadshows the pilots were still in the mood to give Ferris the 24% he was asking for. We were getting lots of calls from pilots suggesting ways to give him the money. The MEC was exasperated since we knew concessions were not required at all. We

were convinced Ferris was asking for them only because it was so easy for him the first time. He probably thought he could get even more the second time around. The MEC now found itself having to stand between Ferris and the pilots."

The reason for the pilots' willingness to still give to Ferris was perplexing to many on the MEC. "I think that in 1983 the pilots still saw themselves as 'management.' Ferris was very charismatic and I think he represented what a lot of pilots wanted to be," Cockrell said.

But that mood ended quickly. What was clear to the MEC soon became apparent to the pilot group. Ferris' credibility eroded rapidly through 1984 and 1985. Ferris repeatedly hammered on the need for the company to realize a net profit margin of 5%, yet through various financial manipulations, Ferris made sure it was never achieved.

For example, from 1983 through 1985 Ferris intentionally over-contributed to the pilots' pension plans which resulted in United's pilot block-hour costs being much higher than they should have been. "At one point in time," according to Engleman, "our A-plan was over-funded by 86%! This was very effective in driving up our block-hour costs."

In spite of record profits, management used the inflated figures and a considerable amount of other misinformation to wage a public relations war against the pilot group. Ferris had retained the public relations firm of Hill and Knowlton to assist him with his internal public relations campaign. But while ALPA was successful in maintaining an informed and educated pilot group that was not

swayed by management's arguments, Ferris was still able to convince many of the rest of the employees that the pilot group was unwilling to give like their groups already had.

"There's no doubt that Ferris conducted a campaign of character assassination and misinformation against the pilot group," said Engleman. "He did it in the company newspaper, in the Employee Newline and in every other medium he could use." A United sales manager who commented for this article agreed. He said, "There were good managers at all levels of the company who were surprised and dismayed at the style and tone of the company's communications about the pilots--in the Newline, the newspaper and in the video tapes."

II. FERRIS THREW A STAMPEDE AND NOBODY CAME.

By the fall of 1984 Ferris began plans for a pilots' strike. He appointed Jim Guyette, then Vice President Central Division and now Exec. V.P. of Operations, to prepare plans designed to keep United operating during a strike. This would be the first time United had ever planned to operate during a strike. If management was successful, ALPA would be broken. Union bashing was in vogue during this time. Former President Reagan had previously set the tone by firing several thousand striking air traffic controllers. Many felt that Ferris had become emboldened by Frank Lorenzo's success in overpowering ALPA and slashing the pilots' pay in half at Continental, and also, perhaps, envious of the image Lorenzo had acquired

with the rest of the business community at that time.

By winter Jim Guyette, with the assistance of then Sr. V.P. of Flight Operations Lloyd Barry and others, had drafted a plan to replace United's pilots and rebuild the airline by using "fleet-qualified" replacement pilots and using what they expected to be a moderate sized core of strikebreaking pilots. But the big weapon they counted on was a scheme they devised that would, hopefully, stampede the pilots across the picket line. They planned to re-bid the seniority list in the order of those who crossed.

Also, unbeknown to anyone outside of management at the time, they now planned on using the 570 as strikebreakers. The 570 were a group of pilots who had been previously trained and told United would hire them when a new agreement was reached with ALPA. Although they were repeatedly assured over a period of months that they would not have to cross a picket line, in April 1985 they were suddenly ordered to report for work on May 17.

Dick Grant, one of the few striking management pilots, and now ALPA's Council Chairman in Denver, sat in on a briefing by Guyette shortly before the strike. He said the company established three contingency plans for operating: "One assumed more than half the pilots would cross the picket line. Another, 40%. And the minimum plan expected 25% of the pilots to cross," said Grant. All three plans assumed the 570 would cross.

Roger Hall commented further, "The company expected that 30-40% of the pilots would cross the line within the first few days of the strike. They didn't think it would take any time at all before the pilot

group would, in Ferris' words, 'stampede across the line,' go to work and effectively destroy ALPA on the property. Initially, I think Ferris' goal was just to slash pilot costs, but it became clear that he eventually concluded that he could crush the entire union structure at United, with ALPA being the first to go. The thing he hadn't counted on was that ALPA had learned from its mistakes in the Continental strike."

By the end of the strike, only 6% of the line pilots had crossed the picket line and almost all of the 570 had struck. United management had spectacularly underestimated the resolve of the pilot group and their loathing for the B-scale. As a result, Ferris was forced to settle on the economic issues after only one week of the strike. His dream of a low-paid pilot force with a 20-year B-scale and a B-scale pension was reduced to a five-year B-scale. But apparently out of revenge--a trait that would later come to characterize him and many of his senior managers--and his determination to break ALPA, he dragged the strike on for another three weeks refusing to agree on any back-to-work agreement that did not include vindictive provisions designed to punish the pilots, the striking management pilots and, of course, the people for whom he felt the most wrath--the 570.

Said Hall, "Ferris was playing games with us. He finally realized he couldn't get us to cross without a contract, so he settled the contract and then tried to get the pilots to cross by refusing to agree to a back-to-work agreement. The pilots still wouldn't cross. We ultimately resolved the back-to-work issues, but then Ferris wouldn't sign a back-to-work agreement with the flight attendants unless

they agreed to gut their contract as part of the deal. The AFA [Association of Flight Attendants] refused. Knowing that we had promised the AFA we wouldn't go back to work without them, he hoped he could get the pilots to finally break ranks. But the pilots still wouldn't cross. Ferris continued to hold out, but AFA's UAL-MEC Chairperson Pat Friend recognized that their contract was still in force and she did not need a back-to-work agreement for her people to return to the property. She asked us to go back to work so that the flight attendants would have jobs to report to. By the time the strike was over, Ferris was really smarting. He could not break the pilots any way he tried." The AFA's last minute maneuver apparently blindsided the company. "When I went in and informed Dave Pringle and the company negotiators of our intentions," said the AFA lawyer, "there was dead silence."

Examining how Ferris miscalculated is complex. Rick Dubinsky, who served as Chairman of the MEC Strike Committee under Hall, says, "Ferris thought he could win because he had the recent experience over at Continental to look back upon. He saw ALPA as disorganized, he saw the leadership as unprepared for a strike, and he had not seen ALPA take any affirmative steps subsequent to that situation to get itself prepared for any new strike. He had a billion dollars in the bank and knew we had no money. He also had a belief that the pilots would never go against him. Somehow it was the leadership--it was Roger Hall or Rick Dubinsky or the MEC -- but the pilots would never turn on him. And, of course, he had John Ferg and others telling him that the pilots didn't have guts, and that they would never get themselves organized."

It was obvious to many that Ferris' miscalculation of the pilots' resolve resulted from bad information from his advisors. Ferris has been described as "tough-minded," and "strong-willed," but some felt that his unwillingness to tolerate divergent opinion was a more accurate description. "He surrounded himself with a number of 'yesmen,'" observed a retired management pilot. Added Hall, "Ferris systematically weeded out people who told him things he didn't want to hear. There were a few people who told him he couldn't win and he shouldn't even try. He eventually got rid of them. Two were Jim Hannah, the Chief Pilot in San Francisco, and Pat Nugent, the Vice President of Flying and Training in Denver. The only people Ferris tolerated in management were those who were willing to tell him what they thought he wanted to hear."

Jim Engleman pointed out another source of bad input Ferris received. After the "Blue-Skies" agreement, John Ferg predictably made his way into management and, as a friend of Ferris, had his ear. "We know he was getting it from John Ferg, and if you understand Ferg's history and his attitude toward the pilots, you will understand that he thought the pilots were just a bunch of jellyfish, that they didn't have any spine and that they would roll over. He even said that about the MEC and told us so on a number of occasions when he was MEC Chairman. I think he really believed it and I believe he had Ferris convinced." Roger Hall agreed. He said, "I put a large part of the blame for the 1985 strike right at the feet of John Ferg."

Dubinsky saw Ferg's turn against the pilots evolve over a long pe-

riod of time. "You have to go back into Ferg's history," said Dubinsky. "Ferg was the Master Chairman in the early 1960's. However, he was recalled by the MEC which embittered him. Then sometime in the early 1970's he testified against a captain who had a landing accident in Denver. It was one of the first times a non-management pilot had testified against a fellow pilot. The MEC censured Ferg without a hearing and Ferg filed a lawsuit against the Association. ALPA ultimately settled and paid his legal fees. I don't think Ferg ever liked ALPA after that. When he got elected Master Chairman the second time around he became great friends with Ferris. He saw Ferris as a visionary.

John's view of what the future would hold for us was quite accurate relative to deregulation. He saw the danger of a ratcheting down of wages and working conditions. I firmly believe that when he started down the road with Ferris, he probably thought he was doing the right thing for the pilots. But by 1983, when the pilots chose to separate from him, to resist the ratcheting, to stiffen their back and to take on Ferris, John's loyalty toward Ferris won out. His animosity toward ALPA overcame him. When he could not get re-elected by changing the MEC policy and run for a third term, I think he chose sides and decided to show these people who he felt had, once again, screwed him over—namely ALPA. He had this burning hate for ALPA that went back to these events in his career. The pilots who he felt had betrayed him were enough reason, in his mind, to side with Ferris."

Ferris also misjudged the 570. "He thought the 570 were going to cross the line and scare the hell out

of the pilots," said Hall, "but they misjudged the integrity and sophistication of the 570 and Jamie Lindsay's activities."

Jamie Lindsay, a Denver-based pilot, headed an ad-hoc ALPA committee of United pilots who set out to educate and organize the 570 from make-shift offices in some hotel rooms near United's Denver training center. By April 1985 they had established regular and frequent contact with virtually all the 570. The new pilots became determined not to aid the company in destroying their own careers, and the careers of every United pilot who would follow them, by helping Ferris establish his 20-year B-scale.

United didn't help its own cause either. As the strike drew closer, the 570 were increasingly subjected to arrogance, threats and intimidation by management personnel at DENTK. In court testimony after the strike, one 570 testified that her class was told by Rick Brown, then one of the management pilots in charge of the new-hire section, that if they didn't cross the picket line and somehow were still able to get their jobs back, he "would personally see to it that we would never make it through our probationary year."

After the strike more than 100 of the 570 chose not to return to United. Michael Didero, a 570 and now a senior MD-80 first officer at USAir said, "They treated us pretty badly before the strike. Coming back and flying at United just wasn't worth the abuse."

In order to protect them from retribution by the company during the period leading up to the strike, Lindsay's committee instructed the group to tell the company "whatever they want to hear." Con-

sequently the company had no accurate knowledge of their intentions until the strike commenced. On the morning of May 17, to management's utter astonishment, only four of the 570 pilots—including John Ferg's son—crossed the line. When Ferris encountered Lindsay in the Denver terminal a few days later, his anger was uncontained, according to witnesses. "Ferris told him he was 'lower than whale ___ , and to crawl back into the dumpster where he came from,'" said one. He added, "Lindsay replied rather prophetically, 'Let's see who's still here a year from now, Dick.'" From that day on, Lindsay's operation became known as "The DumpsterWorks."

III. "IF YOU DON'T LIKE IT, THEN GRIEVE IT."

When the strike failed to break ALPA, the company began a different tact to accomplish their goal. Many pilots saw the company embarking on an effort to weaken the union in order to reduce its effectiveness. The company began routinely violating the contract and "established past practice" whenever they could. Knowing that it took a year or two for an arbitrator to hear a grievance, the company's attitude seemed to become, "If you don't like it, then grieve it." Management routinely denied grievances without apparent regard for merit. According to Capt. Jim Noble, MEC Grievance Chairman, the backlog of grievances awaiting hearings from arbitrators had increased from about 50 to 250. Even though the number of neutral System Boards were increased from about 4 per year to 24, the company seemed to feel they had *carte blanche* in violating

the pilots' contract since it would take years for an arbitrator to order the company to cease and desist.

The company's brazenness didn't stop there either. Immediately after the strike, Ferris and Barry directed that the Washington and Miami domiciles would be closed. Ferris had made it clear that if the pilots went on strike, he would close the two small bases and force the pilots to commute to work in Chicago. ALPA filed an expedited grievance and the neutral, Richard Bloch, ruled that the company could not retaliate. But Ferris did anyway—sort of—he fired Bloch. Bloch and a number of other arbitrators had recently ruled against the company in some rather important decisions. By invoking a little-used provision of the contract, the company summarily fired them the Sunday before Christmas.

"That move certainly didn't help the company's cause in the long run," said Noble, referring to what some called the "Sunday Night Massacre." "The arbitrators are a distinguished, well-respected lot who are not easily intimidated. We're talking about people like Archibald Cox and others, and I suspect that the company's arrogance did not go over well within their group." Cockrell saw the firings and intentional backlogging of the grievance machinery as part of a larger picture. "What they were trying to do," he said, "was to try and make our union weak and powerless like Lorenzo had done with some success on his properties. Clearly this appeared to be the company's objective for us after 1985. There's no doubt in my mind about that."

Rick Dubinsky agrees, but said, "I would even take it a step further. I think all along Ferris intended to

not only crush ALPA, but to get it off the property. It was clear that he intended to replace ALPA with the 'United Pilots Association,' which was being organized by John Ferg, Denver Capt. Bill Palmer (both of whom subsequently appeared on CBS' *West 57th Street*) and others. His goal, I think, was decertification of ALPA and the emergence of this company-controlled union. One way you might accomplish this is by showing the membership that their union is ineffective and that it can't protect either them or their contract. When this continues to occur, the membership may eventually start to ask themselves why they even need a union or, perhaps, whether they need a different union."

Consequently, the message the company was communicating to the pilots after the strike was: "From now on anything you get is because we choose to give it to you, not because ALPA was able to get it for you."

After 1985 the company operated around ALPA wherever possible. Interaction with ALPA was avoided unless it could be used as a way to discredit the union or perhaps enhance the image of management. What became known as the "Frontier Fiasco" clearly showed the extent to which the company would go to try and discredit ALPA.

In the summer of 1986 United announced it wanted to purchase Frontier Airlines. United said it required ALPA to waive the scope protections in the pilots' contract as a condition of the purchase. This would permit United to bring the Frontier pilots over at wages well below "A" scale industry standard and in effect, accomplish what they couldn't achieve in the

strike-and something the company knew the pilots would never agree to. In essence, United had cleverly engineered an abortive attempt to purchase Frontier Airlines and leave the appearance that ALPA was the cause of the failure. It was an effort many believed was designed instead only to strip Frontier of certain valuable assets desired by United.

Consequently, when United pulled out of the purchase, they conveniently blamed it on ALPA and moved instead only to acquire the Denver hangars, certain slots and aircraft. In the end, after a court battle, United ended up without even the assets. They had forfeited Frontier's market share, aircraft and employees to Frank Lorenzo, and now face serious litigation with Frontier's pilots. One major shareholder in *Crain's Chicago Business* would later call it "the worst mistake Ferris made." He made many others as well!

In the months following the strike it became clear to the pilots that management was girding for another strike. Striking pilots were excluded from all management positions, the training center was filled exclusively with scabs, fleetqual's and many who had adequately demonstrated little qualification other than loyalty to Ferris and his henchmen. The overall quality of training took a noticeable downturn. Scabs were systematically being given type ratings and permitted to fly as Captain even though they did not have Captain seniority. The pilots and their leadership could only conclude that the company was preparing a scab force for the next round of conflict.

IV. VINDICTIVENESS 101

If one word characterized this period, it was vindictiveness. Ferris and his supporters were clearly humiliated by the defeat of 1985. The humiliation and anger were magnified by the fact that Ferris had predicted with such certainty to the rest of the company and the industry that ALPA would be crushed.

Dick had a vindictive streak in him unlike anything I've ever seen," said Hall. "I think he was smarting something fierce that we had cost him all that money, that he had taken us on and had not been successful in accomplishing what he'd wanted. He also felt he had been misled by his own people which I'm sure just infuriated him to no end. There is no doubt his objective was to try to wreak as much revenge on the pilot group as he could for what they'd done to him. I think that's why he took such a vindictive stand on the 570."

The vindictiveness took the form not only of punitive action, but of a double standard toward striking and non-striking pilots. No less than ten 570 pilots were terminated-almost all of them under highly questionable circumstances. The pilot group became subject to standards of discipline that apparently were not applicable to non-striking pilots. An onerous and demeaning code-of-conduct was unilaterally imposed on the pilot group that was so vague that a pilot could be charged with an offense for doing just about anything management didn't like. In one of the more obvious attempts to weaken ALPA's effectiveness, David Pringle, then United's Sr.

V.P. of Human Resources, declared that ALPA would no longer be permitted to represent pilots during investigative hearings, even though discipline was likely to result.

Lloyd Barry was, like John Ferg, a close ally of Ferris and seemed to share Ferris' vindictiveness toward the pilots. Barry was not viewed as a particularly able manager--even before the strike. His management style seemed awkward and mediocre. Prior to the strike, Barry had joined Ferris in many of the threatening communications directed at the pilots. After the strike, the antipathy between Barry and the pilots seemed mutual. In fact, the pilots' contempt for Barry seemed to feed on his disdain for them.

Perhaps what most clearly characterized the ill-will between Barry and the pilots were the "yellow-ribbons." After the strike the company had refused to rehire many of the striking flight attendants whose union had supported ALPA's strike. The pilots were angered by this and appalled by a number of other vindictive actions taken toward the flight attendants. Some pilots began wearing small yellow ribbons under their ALPA pins as a demonstration of their gratitude and support. Barry responded by ordering all pilots to remove the ribbons. Soon most striking pilots were sporting the yellow ribbons. Said one insightful pilot at the time, "If Barry wanted the ribbons off, he should have ordered the pilots to wear them."

Barry seemed threatened and frustrated by his lack of control over the pilots. He apparently didn't realize that it was not control he had lost-but credibility. So Barry sent a letter to all management employees instructing them that they were now authorized to give orders

to any United pilot and the pilots were obligated to comply with their directives. However, most supervisory personnel had enough common sense to ignore Barry's letter. One Los Angeles-based captain took great pleasure in demonstrating the illogic of Barry's new policy. He requested that a ramp supervisor present him with his 25-year wings.

V. "ONE FINGER JOE"

In late 1985 and early 1986 Flight Operations was reorganized. The changes appeared to reflect Barry's fear that he couldn't control the pilots, his dislike for ALPA, and his insistence on blind loyalty. In the appointment of new chief pilots and domicile flight managers, all selected were scabs. And some, like Denver's Paul Burnham, made no secret of their feelings about ALPA. Pat Nugent, Vice President of Flying and Training, was sent packing. He had made the mistake of privately questioning the direction management was going prior to the strike. He was replaced by two people who apparently were less apt to ask questions. Bill Traub was named Vice President of Training and Joe Hertrich became Vice President of Flying.

Joe had become well-known to the pilots for greeting strikers with his middle finger. So his selection seemed incredible to many, but not to Roger Hall, who felt Hertrich, more than most others, epitomized United management's ideal "yesman." Said Hall, "I've characterized Joe on a number of occasions as one who was not very bright. Joe just did whatever he was told to do. He never asked any questions. Ferris, Tim Guyette, Barry and people of that ilk and mentality

loved it, and that's exactly why they put him where they did."

But the biggest change was the addition of Flight Operations managers who the pilots came to call "Hall Monitors." These non-pilots were selected from the supervisory ranks of other departments and began to manage the pilots in a style that was viewed by the pilots as demeaning. Some had a penchant for patrolling the halls ordering pilots to remove ALPA stickers from their flight bags, or give other petty directives. "The hall monitors just fell in with a lot of other things they started doing after the strike," observed Hall, "like sick leave counselling and the fact that just anybody could give orders to pilots. It was an effort to demean and downgrade the position of pilot as much as they could. They were obviously structuring their management in such a way so as to be in a position to take us on again in another strike."

Pathetic relations between United and its pilots continued through 1986. But the issue which best exemplified the contempt between the two parties was the company's treatment of the 570. Ferris' anger at the 570 was no secret. During the strike he repeatedly promised that these pilots would "never ever work again at United." After the economic issues of the strike were resolved, Ferris refused to negotiate a back-to-work agreement that included the 570. He also insisted that his re-bid seniority list be allowed to stand. ALPA insisted that both demands-aside from their vindictiveness-were illegal. Finally, the federal mediator proposed that the legalities be decided by the courts, and the parties agreed.

In October 1985, U.S. District Court Judge Nicholas Bua ruled

that the re-bid was illegal and that United must return the 570 to the property. He disagreed with United's argument that since the 570 had never crossed the line, they were never employees and, therefore, were not protected by the Railway Labor Act (RLA). The RLA gives employees a right to strike and protects them from retribution for doing so. Bua reasoned that requiring the 570 to cross the line, report to work and then cross back over was an "empty gesture." The 570 were returned, but Ferris, as one would expect, was determined to win and appealed the decision. In the fall of 1986 the U.S. Court of Appeals overturned part of the Bua decision stating that the 570 were not employees because they had not physically crossed the line and reported for work. This meant simply that these pilots were not protected by the RLA and United could -if it chose to- take punitive action against this group of pilots. The ruling angered the pilot group. United management said they would reduce their seniority below the replacement pilots and those hired immediately after the strike. This only infuriated the pilots more.

In December, 1986 MEC Chairman Roger Hall was elected First Vice President of the Air Line Pilots Association and the UALMEC elected Capt. Rick Dubinsky as its new Chairman. The election wasn't viewed with enthusiasm at EXO. Management seemed afraid of Dubinsky. Some there had nicknamed him "The Bomb Thrower," and "Mad Dog Dubinsky." While Hall's gentle but firm diplomacy certainly contrasted with Dubinsky's confidence and assertiveness, Hall's performance against Ferris, nonetheless, had given him a reputation as one who carried a loaded gun--and used it.

After returning with Hall from an evening of celebrating his election, Dubinsky started to call it a night, but Hall interrupted, "Oh, there's one thing I forgot to tell you, Rick," he said as he pulled a thick stack of papers out of his briefcase. "Here's how the employees are going to buy the company." Dubinsky was speechless.

VI. THE DISMANTLING OF UNITED AIRLINES

It was apparent to almost everyone that Ferris couldn't wait to take on the pilots again. More significantly, though, Ferris had steered the corporation on a course that was bleeding the airline of money and upstreaming it to the holding company through its other subsidiaries. Rapidly losing market share to aggressive competitors, United was becoming a dying airline as its assets and cash were being siphoned off by UAL Inc. to purchase hotels and rent-a-cars.

Said Hall, "I saw a scenario very similar to what Lorenzo later did at Eastern." Just like Eastern, UAL had spun-off United's Apollo reservation system into a subsidiary called Covia. Instead of keeping the Apollo profits, United was now required to pay Covia for every reservation it made just like the other airlines that used its services. UAL Inc. also formed UAL Leasing to which it sold a number of United aircraft United then had to lease back its own airplanes. The pattern was becoming very disturbing. Many feared it wouldn't be long before the airline was being charged for its own maintenance, food service and every other function that it currently performed for itself.

Said Dubinsky, "The airline was being put at a competitive disadvantage because the profits that were normally being made by the airline were being upstreamed to UAL Inc. through the subsidiaries. As a result, UAL Inc. shows a profit, the other subsidiaries show a profit, but lo and behold, the poor airline is destitute. It can't borrow money, it can't buy airplanes and it can't afford to pay its employees decent wages. You end up with management complaining that it's the employees who are wrecking the company. That was the plan -- and it was happening."

To add insult to injury, then United President Jim Hartigan began telling the pilots that "unprofitable" United Airlines would now have to compete with the profitable subsidiaries for UAL Inc.'s capital. The pilots were hearing the same tired message: "Unless you give us more concessions, United will not grow." Just like Eastern, the pilots saw United being set up for failure.

Dubinsky and his two other MEC officers, Vice Chairman Jamie Lindsay and Secretary/Treasurer Felix Isherwood, worked throughout the winter and early spring of 1987 with a diverse group of advisors on preparations for an employee buy out of United Airlines. They were convinced it was the employees' only hope for saving their airline--and their careers.

During this period the atmosphere became more oppressive for the pilot group. The corporation's management structure seemed to have taken on a personality that internalized Ferris' anti-union sentiments.

Jim Guyette, the architect of Ferris' strike effort, was promoted to Executive Vice President of Op-

erations. Kurt Stocker was appointed Vice President of Corporate Communications. He had been a Vice President at Hill and Knowlton, the firm used by Ferris before and during the strike in his public relations campaign against the pilots.

David Pringle, United's chief negotiator during the 1985 strike, travelled to California and appeared before a professional group telling them that one lesson United learned from the strike was that "We obviously weren't prepared. We should have started replacing the pilots a lot quicker."

Frank Jarc was appointed United's new Chief Financial Officer replacing John Cowan who was promoted to the same position at UAL Inc. According to a copy of a memo circulated within United, Jarc had helped Lorenzo develop his bankruptcy plan that "broke the unions at Continental". And John Cowan, in a speech before financial analysts in Boston during January 1987, probably best typified the mentality United's pilots saw in their management when he said, "The best part about our new flight attendant agreement is that we can hire foreign nationals (in the Pacific) and get people to work for rice-bowls." The utter contradiction in Cowan's statement to the analysts that United intended to be the nation's premier airline and at the same time treat employees with such disrespect was not lost on those in attendance.

Finally, in a meeting with more than 200 pilots in San Francisco the same month, Hartigan made his feelings about the pilots very clear. In response to a question about why the United pilots couldn't get captain's jumpseat authority, Hartigan shot back, "No. There will be no perks for pilots."

At similar meetings in the other domiciles in January, Hartigan and Barry met with the pilots to "exchange ideas." Most, however, felt the real purpose was to test the waters about their intention to reduce the seniority of the 570. The pilots left no doubt in their minds about how they felt. As one pilot said to Hartigan, "It used to be legal to refuse to hire blacks and women as pilots. It used to be legal to fire flight attendants for getting married. But just because it was legal didn't mean it was right. And just because it's now legal for you to punish the 570 doesn't make that right, either."

When it became obvious that Hartigan and Barry had their minds set, the exchanges became loud, pointed and taunting. "I knew the pilots were angry," said one ALPA council officer, "but I never thought I'd see both Hartigan and Barry roughed-up like they were tonight." After the two returned to Chicago, Dubinsky asked Barry if the meetings had changed his mind. He replied, "Of course not." That same month, Joe Hertrich resigned. He had distinguished himself in office by getting caught in the O'Hare pilots' bag room peeling ALPA-PAC stickers from pilots' flight bags. In a brilliant move Barry appointed John Ferg to replace Hertrich as Director of Domicile Management.

VII. ALLEGIS... (GESUNDHEIT!)

In February, 1987 Ferris announced that UAL Inc. would now be called Allegis Corp., and would become a worldwide travel services company with United Airlines as only one part. UAL said it paid \$7.3 million for the name that would soon become the butt of Wall Street jokes. Real estate tycoon Donald Trump said it sounded like a "world-class disease." Wall Street was skeptical of Ferris' plan. The pilots saw it as the death knell for the once greatest airline in the country.

During the next few months Dubinsky began assuring the pilots --and putting the company on notice--that if they reduced the seniority of the 570, he would take whatever legal course he could to eventually restore their rightful seniority. Ferg advised Ferris, Hartigan and Barry that unless they wanted years of labor strife over this issue the only recourse was to fire them all. The company took the position that they would indeed fire the 570--unless the MEC agreed to their seniority being reduced and promised never to raise the subject in negotiations again. The company had a loaded gun pointed to the heads of the MEC. Dubinsky called a special MEC meeting for Friday, April 3, 1987 in Chicago.

By that evening the MEC had no choice but to agree to the company's demand. Dubinsky told the MEC that the company had what they called "Operation Flight Plan" in place--a plan they claimed would terminate and replace all the 570 by May 1. Dubinsky privately reassured the

MEC by saying, "Things will become much clearer tomorrow."

Early the next morning the MEC was roused out of bed and secretly bussed to a hotel several miles away. By the end of the next day the MEC had been briefed by the officers, ALPA President Hank Duffy, Vice President Roger Hall, F. Lee Bailey and almost two dozen other lawyers. The plan to buy the company was ready--but it required MEC approval. By agreeing to wage investments and certain concessions, the employees could afford to purchase United from Allegis--but the pilots would have to raise millions of dollars in seed money from among themselves to get the ball rolling. It was not an easy decision. One MEC member confided to another that it was the hardest decision he would have to make--thoughts of the effect of this on his friends and their families kept occupying his mind. There was strong debate on both sides, but the MEC voted unanimously to go for it. They felt the risks of inaction were greater than the risks in going ahead.

The corporation initially dismissed news of the effort as a publicity stunt by the disgruntled pilots. But by the next day it was clear that Wall Street had taken it seriously. UAL stock was soaring, and Ferris would have a difficult time stopping it.

The next month Coniston Partners acquired a large block of stock and announced they would attempt a consent solicitation to remove the board of directors and sell off the various companies.

The board and Ferris frantically searched for a way out. Every attempt to establish a poison pill defense infuriated the shareholders.

Then Ferris and the board decided to recapitalize the corporation and pay the shareholders \$3 billion. But to do it they would not sell off non-airline assets. Instead they would borrow it. The plan would result in a negative net worth for Allegis and would place the company under a staggering debt load. Curiously, the board's argument against selling United to the employees was that it would have placed the company under too great a debt. The brazenly self-serving nature of their plan to place an even greater debt on the airline simply to preserve their own positions on the board was not lost on the public, the shareholders, the press or the employees.

In early June, Dubinsky called the MEC into session again in Chicago. The financial advisors presented a revised plan that would top Ferris' and, hopefully, thwart the recapitalization. The MEC approved it and after its announcement on Thursday, June 4, UAL stock reacted favorably. Ferris was in trouble.

The next evening Ferris called Dubinsky at his home. Ferris needed to talk to him right away. Dubinsky agreed to meet him at a remote airport near Dubinsky's home in northern Ohio later that night. Shortly after 9 p.m. Ferris climbed out of his Learjet, greeted Dubinsky and they walked over to the pilots' lounge. Ferris told Dubinsky that because of the pilots' latest offer, the banks were squeezing him and he was having difficulty getting financing for his recapitalization.

Dubinsky commented later about the conversation, "He won the Oscar, the Emmy, the Tony and every other acting award. Ferris said he was our friend and he

couldn't understand why our relationship had deteriorated. He blamed a great deal of that on Roger Hall. He also said he didn't understand the strike, he didn't understand the emotions during or after the strike, and if we'd just give him a chance and trust him, he would make everything right."

Ferris insisted that an employee-owned airline could be worked out under terms that would be satisfactory to both the pilots and himself. They agreed to meet at that airport the next day, Saturday, and fly to New York.

For the next two days Ferris, Dubinsky, Isherwood and their financial advisors negotiated inside Morgan Stanley's New York offices. However, by Sunday afternoon it became clear to Dubinsky and his advisors that, notwithstanding his promises, Ferris would not agree to anything that required him to give up control of the airline. That evening Dubinsky and Isherwood returned to Chicago. Ferris' frantic search for an agreement apparently indicated that he knew what was about to happen. On Tuesday evening, June 9 the Allegis board asked Ferris to resign.

The Allegis board recognized, that in order to avoid a take-over and the loss of their positions on the board, they had to pay a large amount of money to the shareholders by recapitalizing. They also realized that the only way they could get the money was by selling assets. Their decision was to sell all the non-airline assets, give the money to the shareholders and return to their core business as only an airline. Allegis was dead, and the corporation would soon be renamed, of all things, UAL Corp.

The board appointed Frank Olson as interim Chairman. Olson was

the CEO of Hertz, an Allegis subsidiary, and also an Allegis director. Olson made some initial moves to stop the growing labor unrest that was clearly responsible for the current corporate upheaval. President Jim Hartigan was named to the largely ceremonial position of United Airlines Chairman. Olson removed Sr. V. P. of Human Resources Dave Pringle from all duties involving collective bargaining and he retained the services of Steven Tallent, a noted labor lawyer, to start mending fences with the unions and employees. Olson clearly wanted to diffuse the need for an Employee Stock Ownership Plan (ESOP), but he also knew that he had to have labor peace, ESOP or not. Unfortunately, Flight Operations wasn't touched. Lloyd Barry said the next day in a recorded telephone message to all pilots, "You may know of my personal admiration and respect for Dick ...we have lost a very talented visionary as our leader."

VIII. THE BRIGHT SHINING LIGHT

Almost immediately upon Tallent's arrival, significant changes started occurring in the company's behavior toward its pilots. Tallent realized that quite a number of the management practices he observed ran contrary to accepted tenets of management-labor relations. Said Dubinsky, "All you have to do is read some of the text books on the subject to know that what we witnessed here at United was a very individualized reaction to the strike. It was not a common method of dealing with labor, especially a highly professional labor group like airline pilots. Tallent recognized that immediately and started to correct as

much of it as quickly as he could."

During Tallent's short tenure at United, all but two of the terminated 570 pilots were reinstated. Pilots were again allowed to exercise their right to ALPA representation in initial hearings, and the oppressive sick-leave counselling was discontinued. Most significantly, a tremendous backlog of pilot grievances were favorably resolved across the table between Tallent and Dubinsky that would have otherwise taken years to resolve through the already overloaded neutral System Board.

These changes weren't easy for Tallent. At times he found himself up against the wall from internal company politics. As a result, virtually all of the changes that Tallent brought about were done without Barry's cooperation or, in many cases, over his objections. At one point Tallent told the MEC officers, "If you think ALPA politics are bad, you should see the politics inside EXO."

Dubinsky and the other officers had a high regard for Tallent even though, in the end, he worked against ALPA by helping the International Association of Machinists (IAM) develop the Protective Covenants for their new contract. Dubinsky commented, "Was Tallent sent here to try and kill the ESOP? I think you'd have to say yes, given his track record with the IAM. But from a labor relations standpoint, he was clearly a bright shining light. He was honest and he accomplished a lot of things, even over the strong objections of Barry--and perhaps even Jim Guyette, although we have no direct evidence of that."

The IAM leadership was strongly opposed to the ESOP. Some in

ALPA suspected their concern centered around how such a concept would affect their authority. The IAM leadership also claimed the ESOP was nothing more than an attempt by the pilots to keep their salaries up at the expense of everybody else.

In the fall of 1987 the IAM and the company approached the end of a federally mandated 30-day cooling off period. United pilots set up strike support offices around the system in preparation for a possible IAM strike. Unknown to the pilots at the time, one of the unresolved issues was the mutual desire by the IAM and the company for a contractual "poison pill" to stave off employee ownership. The IAM was playing its cards right and wanted big bucks from the company in return for the agreement. They got it and the United's pilots felt betrayed. Not only did the IAM try and scuttle the ESOP, but they didn't even bother removing their no-sympathy-strike clause from their contract. That clause had conveniently kept the IAM at work during the pilots' 1985 strike. The IAM hid behind that clause and crossed ALPA picket lines.

ALPA sued United and the IAM claiming that the Protective Covenants were designed to unlawfully deprive ALPA and the company's shareholders of their rights. The U.S. District Court threw out one provision and claimed it didn't have jurisdiction to rule on the other. Both ALPA and the company appealed. In May of 1989 the Appellate Court agreed with ALPA on both counts and ordered the second provision sent back to the District Court for hearing. The court noted that financing for the ESOP could not proceed until the two covenants were removed.

By the end of 1987 the grievance machinery was grinding out a number of very significant victories for ALPA and the pilots. Arbitrators had ruled against the company in at least nine major cases. Pilots could not fly as captain unless they held captain seniority. That eliminated one of the perks granted to the scabs by Barry. The company was also forced to release dozens of scab and fleet-qual pilots from the TCA positions because they had been awarded the jobs improperly and at the expense of qualified striking pilots. The Board further ruled that the company's refusal to grant ALPA pilots trip drops to conduct ALPA business was improper. The Board also ruled for ALPA on a number of contract violations as well as a number of improper terminations -- including one pilot fired for wearing a yellow ribbon.

For nearly six months the corporation had been a rudderless ship, unable to find a permanent CEO. A number of positive personnel changes did occur, however, under Olson's interim tenure; John Cowan, Frank Jarc, Kurt Stocker and Dave Pringle all resigned or were asked to leave.

IX. A WOLF AT THE DOOR.

Finally the board announced in late November 1987 that Stephen Wolf, the Chairman and CEO of Tiger International, would become Allegis Corp.'s new Chairman. Wolf had acquired a reputation for slashing the salaries and pay of his employees at near-bankrupt carriers. In fact at Tigers, Wolf threatened to liquidate the carrier unless the pilots agreed to slash their pay. United was not financially troubled, but many expected he would

try and wring concessions from the employees anyway. Mr. Wolf was invited to speak to the MEC at their January 1988 meeting in Kona, Hawaii. The day before Wolf spoke, the MEC invited Flying Tiger MEC Chairman Frank Maguire to share with the MEC his impressions of Wolf.

Maguire said that, in his view, Frank Olson probably stayed on as long as he did in order to set up conditions dictated by Stephen Wolf prior to Wolf's accepting the new CEO position. Maguire believed that the Allegis board was told by Wolf in mid-1987 exactly what culture should exist prior to his accepting the CEO duties. Maguire said his belief was based on methods Wolf used at Tigers.

"His scheme is to convince United employees that since United is shrinking in market share, you must accept his plan of initially small, but cumulatively large, concessions or face retrenchment. Your failure to go along will be blamed as the sole cause for all subsequent problems," Maguire said. "With Wolf, nothing happens by accident. He will try to do what Ferris failed to do--by the numbers," Maguire added. "You will want to believe his projection of humility and confidence. But in the end he will laugh in your face and hand you your head. Wolf is a thinker who has a good grasp of subtleties. He knows your frustrations, fears and insecurities and will try to turn them all against you at the right time."

Maguire predicted that Wolf will repeat at UAL his practices at Tigers by running off some management and making him a hero to some workers, and will offer a profit-sharing program that leaves a carrot dangling but keeps

employees without any power on the board.

"He will use 'Chairman's Conferences' and letters to imply a need for concessions without actually ever saying it," predicted Maguire. "He will isolate employee groups by playing on the emotions of envy. Any union response short of his unspoken demands to give the company concessions will be characterized as a 'rejection of the company offer.'"

Maguire said he believed that UAL agreed to the IAM poison pills at Wolf's direction to weaken the ESOP, and that he will try to take on the AFA as an object lesson to the pilots, while telling the rest of the employees and the press how unnecessary this all is. Maguire said he believes Wolf will seek progressive pay and pension cuts to reduce cash outflow. "If the pilots give in, Wolf will up the ante and demand more," according to Maguire. He predicted, "Wolf will respond to union proposals by announcing that he is 'personally saddened the union rejected the company offer.'" Finally, he reminded the MEC, "The louder Wolf screams, the better the job ALPA is doing."

"It was uncanny," said Jock Savage, Editor of San Francisco's ALPA publication *The Bayliner*. Maguire predicted fairly accurately what Wolf would say to the MEC the next day. Using Maguire's script, Wolf said the pilots would "have to take the leadership role" in turning around the company by giving concessions. Again, following Maguire's exact words, Wolf said that he wouldn't be able to grow the company unless his labor costs were lower.

After returning to the mainland, Wolf started his first round of

"Chairman's Conferences." As predicted by Maguire, without actually ever saying it, Wolf made sure everyone clearly understood that he wanted concessions from them.

In 1988 United and ALPA agreed to permanently split the 737-200 and -300 fleets. It was a significant event, as the United pilot group was the first in the industry to achieve this success. Many pilots are under the impression that this agreement was an example of management and ALPA starting to finally work together. It was, sort of.

Ever since the Company had ordered the airplane, the MEC had been trying to get the company to split the 737 fleet because of the safety risk in requiring pilots to fly two so vastly different aircraft as a common fleet. Lloyd Barry did not agree. The MEC suspected that, as in some other questions of this kind, Barry did not see a safety problem if the solution cost money.

It quickly became apparent, however, that the pilots did not feel it was a safe operation. In late 1987 the MEC and the company conducted a joint safety survey of ORD-based pilots which showed that the pilots felt unqualified and unsafe flying the 737's in a mixed fleet. The company was surprised by the results, but didn't budge on their position. Finally, ALPA told management that if the company wasn't willing to seriously address these safety complaints, the MEC officers were prepared to go public with the survey results.

About this time 737 Capt. Jim Damron happened to make contact with Capt. Wes Bartlett in Denver. Bartlett, who had previously headed the 737 program during

the -300 development phase, had been relieved as Fleet Captain and was now working in the 747 program. In their conversation Bartlett confided that he no longer believed the -300 was a safe operation. He strongly believed that it should be split and that he and the company had erred when they put the program together. Damron and Jim Leroy were able to have Wes commit his opinion to paper.

Dubinsky was then able to get a high level meeting with Mr. Wolf, Guyette, and Barry. Wes Bartlett attended the meeting and stated the reasons why the 737 fleet should be split. Considering the antipathy between Barry and ALPA, Bartlett's willingness to speak out was courageous. According to Dubinsky, Bartlett's advocacy was probably the straw that broke the camel's back. "Wolf announced, right there on the spot, to make the decision that the fleet would be split. He had been "convinced." Did we have a loaded gun? Absolutely! Would I have gone public if the company hadn't been reasonable? Absolutely! Did I threaten Wolf with going public? No, I did not. I think he understood the damage that could have been wrought had he chosen to fight us given all the evidence we had."

The event was significant in the industry. USAir soon split their 737 fleet as have others since the change at United. Once again it was the United pilots who were out on the point making major course corrections in the way this industry operates.

X. THE PIANO PLAYER

Within a short time at United, Wolf started using a new twist in his ability to demand concessions without ever actually saying it--he had the press say it for him.

"Wolf played the press like a piano," observed one ALPA official. United's labor costs had been average for the industry and pilot costs ranked in the lower half, while United's B-scale pilots earned some of the lowest salaries in the industry. Nonetheless, Wolf began personally briefing the business press to the contrary. He told them how he had to lower his labor costs--how they were way too high. The press bit. Within the next few weeks a number of publications began reporting that Wolf had to have concessions because his labor costs were just too high.

After a closed-door meeting in New York with security analysts in June 1988, a number of brokerage firms quickly reported that UAL's labor costs were too high. Morgan Stanley's Kevin Murphy went so far as to say that "United's pilot costs are the highest in the industry." (Remember, Morgan Stanley was UAL's banker under Ferris.) The July 25, 1988 issue of *Barrons* reported that "the United pilots are the highest paid in the industry." Wolf was clearly letting the press create the illusion for the public—and the employees--that concessions were needed.

On July 6, 1988, Wolf presented to ALPA his "growth plan" for rebuilding the airline from years of stagnation. As predicted, the pilots would help pay for it. He sought a highly concessionary contract with a five-year pay freeze, a continuation of the B-Scale, a C-

scale and reduction in pension contributions.

The following months saw a curious parade of events as Wolf's manipulation of the press went nowhere, and then backfired. In what the pilots and the press widely viewed as a botched attempt to entice the pilots into a concessionary contract, the company asked the MEC negotiating committee to consider accepting the company's July proposal in return for taking Pan Am's delivery positions on a number of Airbus A320's. The negotiating committee responded that they'd be happy to consider any proposal as long as it was within the guidelines of ALPA's opening letter. The response apparently infuriated Wolf. The company's negotiating team was a no-show at the next scheduled session.

Within several weeks of the "scam A-320 proposal," the *Wall Street Journal* nailed the coffin on Wolf's strategy of getting pilot concessions before he would buy new aircraft. To the company's certain embarrassment, the *Journal* reported in a front-page article that Wolf intended to purchase a large number of Boeing aircraft. The paper reported that Wolf didn't want to announce his intentions until he could get concessions from the pilots, and it added that United "apparently doesn't want the pilots to know they are going to buy them anyway." United said the story wasn't true. Six months later Wolf bought the airplanes.

In December 1988 both Ferg and Barry retired. Ferg's apparent hatred for ALPA didn't seem to stop at retirement. Within a few months Ferg took one last blast at ALPA on CBS' West 57th Street. Barry's retirement was five years

early. According to those who knew him, Barry had a very deep seated resentment for the loss of the strike and the pilots disrespect for him that left him a very bitter and unhappy man.

John Zeeman, Ferris' Executive Vice President of Marketing resigned in May 1989. Of Ferris' group of senior executives who had taken part in the 1985 assault on the pilot group, only one still remains. Ironically, it is Jim Guyette, the man who organized and led the strike effort for Ferris. But the other irony is that the United pilots, after the ESOP Initiative, eventually watched the departure of almost all of the senior executives who had tried to replace them in the 1985 strike.

XI. LESSONS.

On this, the fourth anniversary of the end of the 1985 pilots strike, one wonders if any lessons have been learned at United. Roger Hall thinks the pilots have learned one very important lesson. He says, "The 1985 strike showed the airline pilots of this country that they could successfully take a stand against powerful management, that they could take action, influence their futures, and not be helpless victims of the whims of airline managers."

The United strike effort clearly established a blueprint for successful labor battles in the deregulated airline industry. The technological and organizational capabilities developed in the 1985 strike represented the leading edge in labor's ability to positively influence the balance of power between management and labor. That advantage continues to improve. The Northwest and Eastern pilots have used our procedures and improved on

them tremendously. "If and when it becomes our turn at bat again, we will improve upon it as well," says Dubinsky.

The United pilots were the first to realize that conducting a strike was basically a communications effort. Family Awareness, computerized communications between strike centers and pilots homes, computerized telephone-tree data bases, electronic voice messaging and satellite teleconferences were the hallmark of the United strike. Coupled with the vast resources of ALPA's Major Contingency Fund, they continue as the benchmark for organized labor's last line of defense in the airline industry. Hopefully, it will serve as a major deterrent against those who see airline pilots and their contracts as easy targets.

Did management learn any lessons? Engleman is cautious. He says, "Except for a change in a couple of players, you still have much of the same board of directors, and virtually the same incestuous management structure. You've got Guyette at the top and largely the same group of flight managers. I don't know if those people have learned anything or not. But whether they have or not, you have to look at our current Sr. V.P. of Flight Operations Hart Langer, and to a lesser extent, Wolf. Their public utterances have questioned the integrity and certainly the business judgments of their predecessors. Hart, certainly, has been holding up a mirror to the corporation. He is beginning to show them how far they had gone from what was right and reasonable, and how far they had departed from sound management procedures and from the ethos and value system that you must have when you're running a corporation in a service industry."

Dubinsky looks at the question from a tactical view. He says, "Yes, I think they've learned some lessons. First of all, Wolf has learned that he should not make himself the point-man the way Ferris did, but instead hold back and reserve himself for the 'white-knight' role toward the very end or else he'll come out as a specter. At least for the time being, it appears he is being very careful to stay out of the front lines and is using other people.

"Another thing they've learned is not to try and do things that are irritating to the pilots. They've learned their lesson in that regard. However, you're going to see repeatedly--month in and month out--'good deals' for us, neat little things for us such as jumpseats and the ALPA pin on managers. One must be careful that this doesn't lull the pilots into a false sense of well-being. And, I don't think you'll see them attempt to threaten us again, or do some of the other things Ferris did that were quite stupid.

"Most importantly," says Dubinsky, "they have learned that, if left no other choices, we will strike. But they've also learned some of our weaknesses and how to deal with us on emotional, strategic and tactical levels. In that regard, Wolf should never be underestimated."

Would Wolf be inclined to take the pilots on again? Cockrell says, "Not--unless they perceive weakness on our side. And that's what happened in 1985. Even though the pilots were solid as a rock, the company obviously didn't see that until it was too late. So it's crucial that the pilots ensure that management never again acquires an incorrect perception of our strength."

Roger Hall says he believes management didn't learn nearly as much as they should have. But he adds, "The one thing they should have learned out of all of this is how unproductive bad labor-management relations are, that it creates such a large liability for the corporation and that there's no future in it. It would be great to think what United could be producing right now if we hadn't even had the strike."

XII. CONCLUSION

While positive changes have occurred--largely as a result of arbitration victories and actions taken by the pilots, many changes remain to be made at United. Management's vindictiveness after the strike institutionalized labor strife at United that continues to eat away at the fabric of the company and its employees. The punitive

reduction of the 570's seniority and the continuation of fleet-quality compensation only serve as a continuous reminder of the hatred and anger. The degrading B-scale must end. The incestuous Flight Operations management structure must be drastically changed. It exists today because of a number of years when only those who had demonstrated blind obedience to a now-disgraced management were allowed to participate.

But United's pilots have reason to be optimistic. ALPA in general and the United and Eastern pilots in particular have sent a message to managements in this industry. "The strength of our Association has really been revitalized," says Hall, "with our 'war chest,' sophisticated communications techniques and ability to unite cohesively. I believe we're going to make some good things happen in the future and I think airline managements

are going to think twice before they take on a pilot group again."

However the hated B-scale, although only a fraction of the scope Ferris and the board envisioned, still plagues this company. As Warren Villareal, UAL-MEC No B -Scale Committee Chairman recently said, "The B-scale salary structure was not just an assault on the new hire pilots, it was an assault on the A-scale pilots." As long as the cancer is allowed on this property, all United pilots are threatened.

A few years ago no one envisioned the challenges the United pilots would have to confront in order to protect their careers and profession. The inner strength and courage the group displayed has left little doubt that United's pilots are indeed made of the same stuff as the men who created ALPA during the era of the wooden wings.



AIR LINE PILOTS ASSOCIATION

535 HERNOON PARKWAY

P.O. BOX 1169

HERNOON, VIRGINIA 22070-1169