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INTERVIEW
OF
JOHN MAC DONALD
WITH
JERRY BARRETT
REGARDING
BARGAINING HISTORY OF EASTERN AIR LINES

TUESDAY, MARCH 25, 1986

Jerry Barrett: This is Jerry Barrett talking. Today's date is March 25, 1986. I'm interviewing John MacDonald in his office at Eastern Airline Headquarters in Miami. John, if you would could you talk a little bit about what you did before you came with Eastern Airlines.

John MacDonald: I'm from Connecticut originally and went to school in Connecticut. Graduated from college and worked for several years for a unit of Allied Stores. Actually, it was a chain within a chain up there. And went through a variety of areas and departments and wound up in their Personnel Office.

In 65 I came with Eastern in Miami, moved down from Connecticut, and worked in the Regional Employment Office at the time. And I started off doing things like flight attendant/pilot recruiting and gradually moved into various areas outside of Employment. I worked in the Policy Section for a while. I worked in four personnel offices around the system. I was involved in the acquisition of Care Bear Airlines in 72 to 74 on a special assignment, Puerto Rico. Came back and I had a variety of Human Resource type jobs that involved recruiting and staff support for regional personnel offices and employee services. A whole variety of things.

I wound up in Labor Relations in October, mid-October of 1981. And that was a point which was good. I didn't think so at the time but it was good. I started one day and I think we started negotiations about two days later. A lot of the staff work was done at the time. I'd say about 70 percent in

preparation for it. So it wasn't as much of a hassle as I thought it was going to be. But I was able to learn a lot in a very, very short period of time. And I worked for Dwain Anderws at that time who was our Chief Negotiator.

Jerry Barrett: Who were you negotiating with at that point?

John MacDonald: We were negotiating for the mechanic and related contract with the IAM. That expired on December 31 of 1981. And it was a very interesting time because that was the first contract that Mr. Bryan and his new regime with the IAM negotiated with Eastern. They had some pretty strong ideas and what they thought the company could afford to pay. And how they wanted to change the whole concept of negotiations and what they wanted out of us. And I found it fascinating from my own, first time in negotiations. I can remember the initial exchange of proposals and he had something like 300 and something which included very ridiculous items like health spas for employees and things like that. It was also interesting because the union at that time, and it's the first that I can recall here at Eastern maybe in industry, being very public minded and press minded and they did a lot of things in the newspapers. There was constant articles back and forth in the Miami Herald about what the company thought their economic position was. And then two days later there would be something in there from the union saying that Eastern's always talking doom and gloom. There was plenty of money to spread around. And they wanted their fair share. And it

was just a constant thing back and forth. It might be interesting for you to pull out those old clippings. I don't know if we have them here but you could probably get them from the Miami Herald. They'd make fascinating reading.

Jerry Barrett: Was there any effort on the part of the parties to minimize that?

John MacDonald: We discussed in the initial sessions of negotiations that we were going to try and minimize that. We made commitments to each other but never seemed to really work. There was always jockeying for position. There was always things that the company would put out financial as a normal course of reaction, of course of business that the union would react to. So it never really worked the way we had all hoped it would. And it was really counter, I think, to the IAM's position. They wanted to educate their membership and they did so internally within their own organization. I think they did it externally as well. They were on talk shows. It was amazing, it was amazing. It, as I said, it was very interesting and kind of overwhelming to see that we were going to be airing our dirty linen in public like that but that was, I guess, the start of a trend that's continued until today.

We negotiated for about 18 months. Actually 17 months until the end of March 1983 and see-sawed back and forth. In February we were released from the National Mediation Board.

Jerry Barrett: That's February of 83?

John Macdonald: 83. And we were in a countdown and

negotiated during that period of time with the "assistance of a mediator" and I believe it was March 27th, no it had to be earlier, it was March 7th I believe, somewhere round that time, that we made a last minute offer to the IAM. Fully realizing at that time that we had financial problems and considerations, number one for the basis of our offer. And number two, that we felt that the offer that we made was substantially a change from what they already had in previous proposals and therefore right up to their strike vote, so that they would, under their constitution, be obligated to take that out again.

Jerry Barrett: For a vote?

John MacDonald: For a vote with membership. There were a lot of people here, including myself, that thought that the employees were sensitive enough to the economic problems that they probably would have bought into that. They didn't. Shortly thereafter we said that we couldn't negotiate with them any further when they came back to us. We were invited up to the National Mediation Board Headquarters in Washington to complete negotiations towards the deadline that then moved, I believe, to March 27th. We initially resisted that and afterwards, after a couple of days, said we'd go up and listed but we didn't have any more money to negotiate.

During the course of this period, the countdown and preparations for strikes, we had a lot of people around here, and it's still affecting people here today. They got very hyped up about going on strike. They wanted a strike. Not the IAM so

much, but the other people around them. The pilots, the non-contact, the management people.

Jerry Barrett: They wanted the machinists to go on strike?

John MacDonald: Yea, they wanted to take them on. They thought that this was something that we could do and we could operate and that we could finally get some reason into our employee work force as far as that group was concerned. It was kind of frightening. I can remember describing some of the people after a meeting in the auditorium as a bunch of kamikazes. They didn't realize what they were getting themselves in for. We hadn't been in a strike since 1966. And rocked along without any serious work problems, work stoppages. And I still don't think they had any idea what they were facing. Even today I periodically hear, well if we took them on then, it would have been all over. But it would have been all over for a variety of reasons. Because once we did finally did change our proposal and get concurrence on an agreement we were able to determine that, at least we were advised that, we didn't have the cash to pull off a strike and I believe that. It was a pretty tough time. I think the settlement reinforced in the memberships' mind at least the some of the things that Mr. Bryan had been saying and (garble) Hunter was saying about the company having money may have been true. But reality soon came to that situation because they ratified the contract on April 8th. And in June we were back asking them for additional money as far as a bond program.

Jerry Barrett: The point you're making there is that the, Bryan had been saying all along that the company had more money. When they were able to make a settlement then the membership said Bryan was right.

John MacDonald: I think for a while they felt that way. And as I said, when we came back and we started talking about debentures, I think Bryan realized that there was a need a that point. Although the best he would do would be a voluntary program. And there weren't many takers. Then, of course, we got into the Fall of 1983, September and October, where there was threats of Chapter 11 bankruptcy. Just before, as I recall and more pronounced afterwards, after the Continental situation. And we had a lot of problems at that time. And there was still comments made by the IAM that this was not factual. That it was not true. And that we didn't have problems that we claimed that we had. And then you turn around and we got an agreement and it was an 18 percent wage program in 1984. It always amazed me how he could jump back and forth as a union leader and have any credibility at all. Saying we have plenty of money, no we don't have any money, and we have plenty of money and no we don't have any money. But I guess he can do that sort of stuff.

In 84, during our Wage Investment Program, I think as far as Labor Relations was concerned, it was probably the easiest time that we've in this area. There was a realization, at least early on in the year, that we did have a great many problems, financially. And that what we had been doing since 81 was

fighting each other continuously. And that was contributing to the problem and, both from a potential revenue loss out of there, but also our operating problems were getting to be such that we couldn't let that continue. We really got involved with employee involvement both from a (garble) point of view and what we then called EI, large EI which would be the structure, and little EI would be the management and employees at a particular area working together to solve some problems. And a lot of things got done.

Jerry Barrett: During 84?

John MacDonald: A lot of things got done. There was a lot of things that were done in order to get more things done. Some of the things that you look back now, particularly bringing work in that we had historically contracted out, that may not have been such a good idea. But it was something that we thought that could be looked upon as something the company was trying to take a couple steps forward on to bring some other things on board. And it was a very pleasant time as far as Eastern was concerned.

Then in the Fall of 84 we had to negotiate another contract. And that contract was the one that we signed in 83. It expired December 31, 1984. At the same time we had a variable annuity, Variable Earnings Program. Which was the 18 percent program where the employees were able to buy 25 percent of the stock. And that was up on the 31st. It was our intention, our hope, and we thought our commitment, that we would be able to look at where we were financially 30 days before the end of the year and that was in the agreement that we discussed. Sit down with

the union and decide on a course of action to ensure the company's financial viability. Well when we started to get into negotiations they didn't want to talk about it. As a matter of fact, they flatly refused to talk about it. They said we're in negotiations for a new contract we're not negotiations for a Wage Investment Program. So, we said, ok we'll adjourn negotiations until we can take care of the Wage Investment Program. And they absolutely refused to do so. Knowing full well in my, or should have known full well in my belief that the total amount of the wages was something and for the program in 84, and this is all groups, was something like 276 or 296 million. That nothing miraculous happened in 1984 that would allow us to put those wages back in 1985 and even build upon those. But they flatly refused to do it. It caused us some more problems because in the later part of December 1984 we made a decision that we could not afford to put the 18 percent back into employee's wages and advised them that we would continue to deduct that under the statusquo provisions of the Railway Labor Act.

Well there were some very interesting times in early January because the unions, all three of them, had told people and had made commitments to people that they were going to get that money back. And it was only after the efforts of Bill Usery, during January, where he proposed and everyone agreed, that as a symbolic act we would put the wages back in January in order to get us to a point where we would start meeting again and start negotiating again to resolve, not only the contracts that we had

open, but to resolve a problem that we had with our lenders that had to be resolved by the 31st of January. And we got back together and discussed but really never, never accomplished a great deal as far as I was concerned. At that point one of the big things as I recall, the IAM wanted to do was have a program of revenue sharing. And as the revenue in the corporation would increase they would continue to get a portion of that devoted to the wages of the IAM. And that came about because apparently in the early 60's, early to mid 60's, I believe somewhere in excess of 40 percent of expense dollar, actual revenues, were devoted to wage and salaries for all employees. And about 12 percent, at one point, was for the IAM. They wanted to maintain that and then found that over the course of the years it had dropped down to 36 percent of gross revenues. And the IAM had gone down to maybe 10 percent and at some point in time dipping below that depending on where we were in contracting and what gross revenues were.

We tried to convince them that that had no relation to reality in the market place, as far as our survival was concerned, and it wasn't revenues that determined your survival but how much money you made. And they had maintained then, and had maintained even in the 81, 82, 83 negotiations that profitability was something that the company could control and manipulate and they didn't want to have anything to do with it. We we went all the way up to January 31. Negotiated very hard and very long and was not able to reach an agreement with the IAM. They still felt that they could get more out of the company than we were willing to do.

And as a matter of fact, they were convinced that they could get a full restoration of their wages in 1985.

Well we were in technical default as of midnight of the 31st. That was a very interesting day. A lot of animosity-

Jerry Barrett: Between -

John MacDonald: Bewitching the hour between the union and the company. Not a great deal of shouting or - I was convinced that within a matter of a couple of days somebody was going to try and grab something, our assets. And that we would probably would file Chapter 11. In addition to being negotiations at that time, I had since mid-December, also been involved with the exercise of Chapter 11. So I could say it was parallel. If I wasn't in negotiation, I was doing that. And it was a scary time because I could see that we weren't making any real progress in negotiations but we were making real progress in our preparation for Chapter 11. So that gave everybody a little adrenaline pumping there for a couple of days and the Bill Usery again came back with a proposal that he tried to get everybody to agree to. And at least it brought them back to the table and to get an agreement in principal.

And by the way, none of the unions reached an agreement on January 31st. We were very close and probably could have gotten an agreement with the pilots and maybe the flight attendants. I wasn't in those negotiations but I know at midnight we did not have one.

Jerry Barrett: But the difficult one at this point was the machinists.

John MacDonald: Yes. It was difficult from a couple of reasons really because in 1984, as part of the Wage Investment Program, every one of the union groups had made a commitment that they were going to increase their productivity by 5 percent. And that was, how they were going to do that was going to be announced. And the IAM went out and did a lot of work as far as where we could gain cost savings by doing things a little bit differently and they exceeded that. And the pilots and the flight attendants didn't do anything. So the IAM felt that they had every right to feel that they ought to be treated totally different than the other groups who did not meet this commitment. And their salaries and wages could be snapped back while the other groups, well that's their problem. You know, they didn't meet their commitments, we did. So we ought to be treated differently.

Jerry Barrett: Was that pretty accurate though, that they had made some legitimate productivity -

John MacDonald: About \$30 million worth, yea. And it was counted by the company. You know, I'm not sure what figure they would come up with but it was agreed to that it was \$29,400,000. or something. And they did, yea.

Jerry Barrett: What was the nature of some of these things?

John MacDonald: Nature of it, a lot of it was contracting in items. Or there were different processes, for

example, as I recall, there was one that had to do with blades. We used to scrap a lot of engine blades in our engine shop and somebody came up with a process that says hey you can repair them instead of throwing them away and buying new ones at \$80. let's say you can repair them for \$2.10 or something. There were a lot of items like that. And there still exists a pretty comprehensive list.

Jerry Barrett: And the company is the one that did the costing on it. They were satisfied that it approached \$30 million.

John MacDonald: Um hm.

Jerry Barrett: Ok. So that was the basis for the machinists feeling that they should be treated differently. That they had kind of paid their dues in effect. The other unions probably wouldn't agree with that but -

John MacDonald: Well the other unions I'm sure didn't agree. Especially the pilots. Though I haven't talked to any of them. But a lot of other people on the base said hey, you know, yes they did come up with \$30 million and that's very good but you know they probably cost us a heck of a lot more than that each year over the years by their lack of productivity. Not because of the contract, it's just a work ethic problem, especially on this base. That things just don't seem to be able to get done. But at any rate we got back together after Bill Usery put his recommendations together. Sat down and I think we got together on the third or fourth of February. And were able to hammer out a

verbal agreement by the eighth. And it was an agreement except that for the next two months or so, at least for the next six weeks, we argued what that agreement really meant because it wasn't written down. And because of the strange ways things are done in the airline industry, that agreement, to the best of my knowledge and I wasn't in the negotiation process and I don't think anybody from the company or union were sitting across from each other when that was reached.

That was reached in the middle of the night during the course of the following day when Jack Johnson was in my estimation, and I've never really talked to Jack about this, this might be an area you could explore with him, that was in one room with Bill Usery. The union was in another room with their advisors and Bill was going back and forth. And one of our investment bankers was going back forth. And from subsequent meetings and discussions on what the substance of this agreement was was the comments well, I told so and so this. And Johnson would say well yes I heard something like this but this is what I understood when I talked with them. So it was never a very clear thing with the parties sitting together and understanding what they were going to do.

And I have every reason to believe that Mr. Bryan, at least on one of the items, on the profit sharing for 1985, exaggerated his thoughts on it and indicated to me because of some unclear language in the way the Usery proposal was written, that it was going to be a profit sharing plan that would last multiple

years when it was only supposed to last one. And I believe he understood that. I really did. My negotiation, you know, is from the first couple of sessions after we reached that tentative agreement and it became apparent that at least on one portion, the restoration or the increase, we thought it was a 5 percent increase in base wages. They said it was a 5 percent restoration. The difference being about 1 percent.

The area of profit sharing to the best of my knowledge never came up as an area of dispute. And it was only after a couple of weeks that somebody must have said, "gee that's not very clear, what does it mean?" That's my opinion.

But we went along discussing the tentative agreement and part of that process was determining how we were going to give the IAM credit for additional productivity items. And how they were going to be counted and how they were going to relate back to our restoration of wages. And that took at least a month of a lot of meetings.

And there was a lot of distrust apparently from the IAM side. A lot of concern on the company's side that some of the things that they wanted to do were not going to be totally above board and honest. At least there was some indication even after we reached the agreement, in my opinion, that they had taken a position that was contrary to what we decided. As a matter of fact, I proved it to them at one time. But that's another story for another time.

We went through 85 after we reached an agreement -

Jerry Barrett: Eventually, that was all committed to writing?

John MacDonald: Eventually. Eventually. I think the actual principals of agreement that were the hand shake agreement with parties weren't there to understand what they were shaking hands about was finalized in the very last moments of negotiation on the 31st of March, April 1st of the year of 85. So it took that long. Now admittedly most of the items in there were agreed to with exception of the Profit Sharing Plan. But it wasn't signed off until that particular time. We got into, after completing the agreement, we got into a ratification process where we printed some of the things for the IAM and they brought it out and it was defeated. And it was defeated from what I understand from the union is because they didn't have enough time to really get out there and sell it.

They didn't want to change the agreement and neither did we. We were up against the problem with bankers. We were at technical default. And they said ok we'll give you until this day and we'll give you until this. And there were a number of things that were all coming together in April where we had to get agreements with everybody or we were going to lose our credibility with the financial community and suffer whatever consequences that would have.

They rejected it, the union, and we did not want to change it. We did come out with a couple of letters of agreement

on what things meant and made some minor modifications, very, very, very minor. And put it out again and it was ratified.

Jerry Barrett: What time frame are we getting to now? Early Summer by the time it was-

John MacDonald: The second ratification bill was on May 9th. And we received notification of ratification on the 16th of May. So we had an agreement there and moved along trying to recapture some of the things that we did in 84. As far as working together was concerned and trying to identify as many projects as we could to get back into a restoration process so they could start getting some money back. I think everybody by and large were desirous of that happening. But turn of events indicate that probably wasn't the best way to be but that's, hind sight is always 20/20.

We did make a number of work rule changes in the IAM contract.

Jerry Barrett: In 85?

John MacDonald: In 85. I can't tell you the total value off hand but what we did do is we gave that was IAM employees, the mechanics and related, credit for them as far restoration of wages. In other words, when we changed it for one example was the number of shift starting times at airports. We went from 6 to 8. And we determined what that difference was in dollars and we credited them for wage restoration and they got wage increases based on that. But there were a number of items there. There was

one of the larger items was a new entry rate. We called it a B scale. But it was really more of an entry rate because they merged. And I know there's merging two tiers and merging B scales but it wasn't the true B scale that we started off with.

So they got a lot of credit for that and they got a 5 percent increase as part of the initial agreement on February 1. Because of some of the cost savings devices and contractual work rule changes they got a 4 percent increase on April 1, 1985. Then things began to become very difficult as far as getting additional cost savings from areas that they could influence towards additional restorations.

At that point, in April 1, there were at 91 percent of what we call salary of record, which were the contractual rates. That's the contractual rate minus 18 percent, 5 percent restoration, 4 percent restoration in April. So you just kept subtracting. But it became more and more difficult there it became. There began a period of time of greater tension because of their submitting various cost savings areas that just didn't work. The money wasn't there or it was something they couldn't influence.

And in August of 85 it became apparent, I believe to everyone, that we were about at the end of the line with that cost savings. There was a 1.1 percent restoration increase on July 1, 1985, and my belief and from what I understand, that was a generous determination of what the actual cost savings were. Based upon that difficulty in getting the restorations. And based

upon other contractual agreements that the IAM, the International, had reached with other carriers we started to look at where our salaries or our wages were going to be at the end of our contract. And then we determined that we were going to be way out of wack. So started to get concerned about being far out of wack as far as our top end of the wages. And because we are a very senior work force a lot of our people are up there. It was and it still is a concern. And because of the fact that there were recognitions that there were going to be, it was going to be increasingly more difficult to get any sort of wage restoration through the cost saving process, the IAM and the company got together and said "ok, we'll swap the wage restoration portion for an adjustment in the wages." And it was about a 5 percent decrease as I remember. And as part of that there will be a full restoration 1-1-86.

Now you have to remember that the wages didn't change in 1-1-86 in the contract, it's just a restoration formula. It was 91 in April. It went to 92.5 and the top mechanic, for example, during all of 1985 was at 17.40. They weren't paid 17.40. They were paid 87 percent of that, 91 percent, 92.5. But on January 1, of 86 it was still 17.40 so we advanced it 7.5 percent to make it 100 percent on the basis of no cost savings for adjustments. For the following two years of the contract there were a little less

than we had originally agreed to. That agreement was put together and it was ratified by the membership on October 17, 1985.

Now you have to remember a couple of things about 85. We started the year off with a very, very uncertain future. And we had a Pan American strike and a United Airlines strike. And I think at the same time probably an upsurge in our traffic over and above those two things. So we were carrying a lot of people. We were making a lot of money. As a matter of fact, the first six months of the year we had the greatest first half earnings in our history. So things looked pretty rosy there for a while. And the agreement that we reached with the IAM which started the discussions in August and proceeded in September, didn't look that bad. And we figured that we could solve a problem at the end of the contract.

Well in September, probably in the later part of August and September, was the start of a serious decline in yield. And there were fare wars breaking out all over the place. So we had a disastrous September. And October looked pretty disastrous and it turned out to be. And from going from a position where we had made so much money in the first six months and put aside a lot of money for profit sharing, it was eroding very, very quickly. And we knew that we were in trouble again. I was not involved with any of the informal discussions with Mr. Bryan but he was advised that the situation was deterring. And he knew from being a member of the Board of Directors what was happening. Whether he could recognize the real reasons for it or thought it might have been

some type of strategy the company was planning to beat him down in wages, which he continually thought and still thinks I'm sure, I'm not sure. But we had a deadline as far as from our bankers again on February 28th. I believe that in my own heart, that we had set these deadlines and bankers had set these deadlines and there's nothing that every really happened. And we were in default in February 1 of 1985 and nothing changes. And we didn't get out of default until Spring, some point in Spring. Perhaps even May. And did not meet the requirements to get out of default, have agreements in place with all the unions. We still had the flight attendants and the pilots. So I don't think that Mr. Bryan or his membership really looked at the February 28th date, at least in late 85 as anything more than some date the company concocted to strip away some of their wages.

We continued to try to get him to open the contract. At least, initially to open the contract, and at least to amend those sections relating wages, vacations and benefits. And he refused to do it. And we got to the point where we were, at least the Board of Directors felt and I can understand their feeling, that they had an obligation to the stock holders to either fix it, take it or sell it. And they elected to sell it. And that's where we are today. Actually we're the same place we were a couple of months ago, because we'd still like to open the contract because we still have the same problems regardless of who owns us. We have to be able to compete with people out there carrying passengers.

Jerry Barrett: The contract really with the machinists has not really been opened?

John MacDonald: No it hasn't.

Jerry Barrett: Even to the day we're talking here.

John MacDonald: That's correct.

Jerry Barrett: Was there a lot of --- well you wouldn't be directly involved in this but I'm sure you heard from your colleagues and management--- a lot of dissention among the other two unions when the hand writing apparently was on the wall but yet the machinists refused to open their agreement in the Fall of, the Spring of 86?

John MacDonald: What happened was that the pilots, the pilots in particular, have always felt that they have been in the forefront of any concessions to the company. They've been out front when the IAM wouldn't buy into things, they were out there doing things. And they felt that in 85 and , I'm sure they felt the same way in 86, that they wanted to see what the machinists were going to do. They wanted to know what Charlie was going to do before they started doing anything. What's Charlie going to do? What's Charlie going to do? That was the common question. And it wasn't really a matter of what Charlie was going to do, you know, their contracts were up. They had expired. Both the flight attendants' and the pilots'. And they had an obligation to reach an agreement. Charlie didn't. We thought that in the best interest of the company, and to keep it from being sold or more likely at the point of going Chapter 11, that he would see clear

to join the party. He didn't.

Jerry Barrett: Down there toward the end, was there suspicion that he really would cave in at the end and go to the party?

John MacDonald: I thought that he would. I thought that at the last minute he probably would but you know I guess maybe I'm just an optimist. I thought he was going to do the same thing in 1985. I thought they all were. You know, I didn't think anybody would be crazy enough to say "hey, we've got 40,000 jobs, to hell with them, let them go." And I thought that if they were misreading the, or if they were reading incorrectly, the bankers would just set up another deadline. But that was dangerous because I think, in my opinion, that the banks lost a great deal of credibility in 1985 by sitting around and doing nothing. And I don't think, and from what I heard, they were about to let that happen again. You don't make threats and you don't set deadlines with out doing anything. Especially in a financial community.

Jerry Barrett: So in early 86 then the suspicion was that the banks really would take some actions, repossess some airplanes. Something like that would -

John MacDonald: They would initiate an action that would required us to file Chapter 11. Or that if we didn't have any other prospect, I think people around here were pretty well convinced that something was going to happen, that we would preempt them from doing, from taking action by filing Chapter 11. And here again I worked on Chapter 11.

Jerry Barrett: So you knew what was going on at that end. Let me turn the tape over. (Interruption)

Jerry Barrett: Ok. We're back on again. Can you talk a little bit about some other things that have impacted on the bargaining? Or that may have? Do you think that there was much affect on labor relations or the health of Eastern Airlines because of the PATCO problems in the early 80's? What I'm referring to is the PATCO strike in which they replaced a whole bunch of air traffic controllers.

John MacDonald: Do you mean from a direct affect upon our, the number of flights and the number of people we had working?

Jerry Barrett: Yes. Yes.

John MacDonald: No question, we had to pull back on it. I think, from my own personal point of view and you probably could talk to people in our Planning Department, I feel that that helped us.

Jerry Barrett: Oh.

John MacDonald: I think what it did is to lead the competition from the low cost carriers because people had to reduce schedules and they were frozen into 85 percent, as I recall, of what they were flying before. Which included and precluded the low cost carriers from really expanding the way they want. There were slot problems. There's still slot problems today. I think that if that didn't happen and the capacity of the

air traffic system was unlimited, we'd be in a heck of a lot worse fix than we are right now.

Jerry Barrett: That's an interesting way of looking at it. That there was in fact a benefit because the other carriers, new carriers, could not get additional slots, could not get additional recruit-

John MacDonald: They just couldn't expand as fast as they would like to. And it may have helped them too, you know, I don't know. We could speculate by saying, "hey, if they really did come after a particular large carrier all at once, they probably would have got creamed all at once." You know, in the early stages of their start ups. But we'll never know. I do think though it helped us.

Jerry Barrett: Can you talk a little bit about the machinists as an organization? You've already mentioned that they started, well Charlie Bryan's new slate was doing their first negotiations when you entered negotiations in 81. Can you talk a little bit about that as an organization and its political ebb and flow that goes on there?

John MacDonald: I never really tried to get involved with their politics. I've often wondered how they got to be the way they are and how we've gotten to our position as far as our relations with them. I can remember, before I got into Labor Relations, I just couldn't believe the animosity between management and the IAM. As a matter of fact, I heard one of the fellows who used to, he was an officer - an officer in the Personnel Department, say that the management of this company

hates the IAM. I don't know where it started and how it got that way. I think it probably got that way, speculated on a lot of reasons, but probably because of their inability to say no to anybody. And it's always been, I want to do this and nudge. And I want to do that and nudge. Before you know it, you've got more people with strength than you wish you had working for you in a particular department, talking about in a particular unit. The manager in that particular department doesn't like it. He keeps biting his tongue and biting his tongue and all of a sudden he will take an action when somebody goofs up that's totally inappropriate. That reinforces that the management is no damn good. And then when he asked for council and is told what he has done is inappropriate he mistakes good council for white washing. So he loses and becomes disillusioned with what he's got to deal with. And the next couple of times, he'll look the other way and when he's getting nudged again. And then he'll come back again with an inappropriate response. And it just seems to snowball and snowball and snowball.

It's amazing how we've administered the contract over the years. And as I say, I that would be a fascinating thing, to find out how the heck that started. I don't know how you would ever would. It would just be fascinating.

Jerry Barrett: Actually before you got into the negotiations you weren't involved in grievance handling?

John MacDonald: No. Well, only from a disciplinary point of view. They had an article in the contract, it's still

there. It's Article 18, which is the grievance procedure for people who are terminated or who are disciplined with loss of pay. And it became a credibility issue, as far as people from the Labor Relations Unit, also who were involved with the decision making. They had a role in a first, and I use the word hearing, first phase hearing before an arbitration. To determine the facts and maybe mitigate them or overthrow the decisions.

There was a problem, as I said with credibility. How could somebody who is involved with one of those disciplinary things also hear and be objective about it. So the company asked the Personnel Managers if they would do that. And I did that. I did all of them in the Miami, the Florida area. Jerry Barrett: So you did see them at that stage in the process.

John MacDonald: Yea, and by in large, I was disappointed. From the point of view that I thought a lot of the things, the disciplinary things, at that time were inappropriate. We were disciplining people and we didn't do our homework. Or it was a reaction. Like I was saying before, the manager got nudged a couple of times and he would take an inappropriate action against an individual who had done some minor infraction.

Jerry Barrett: So many of them were over reactions then?

John MacDonald: Yea. And I turned a lot of them over. And I was considered a good guy by the union for a point in time.

Jerry Barrett: That whole relationship though and how it evolved is an interesting one. You said that when Bryan and his slate came in, 81, they had a lot of things, a long list of things they were going to change. A long list of proposals. Was that based on a great deal of unrest within the membership? Or where did all that come from? How did he get elected? Do you have any sense about that?

John MacDonald: Well, those are two different items. I don't really have a lot of insight why he got elected. But I do know that the previous President and General Chairman was at least perceived and at times accused of doing things that were not in the best interest of all of the membership. That he had his own little click that he would protect and that he was acting at times with less than the credibility he should have, at least with his membership. And they resented it. And I think Bryan had a particular problem with him. The previous President fired Bryan at one time. And couldn't make that stick. And would not give him any -. Bryan was in Atlanta, as I recall, and wouldn't give him any clerical support, his office, for example. And whenever he wasn't in the office, phones would just ring. And you know, I think, that Bryan thought and I sure it did reflect on his ability to respond to the people. So he came to the floor. But I think that probably the way some of the people felt about the previous President, other people could have run and -.

Jerry Barrett: Ok. Ok. So he was in the right place at the right time against a candidate who had become unpopular.

John MacDonald: I think so.

Jerry Barrett: Is your sense that Bryan maintains pretty good support from his membership?

John MacDonald: That's hard to evaluate. At times, I think he does. And other times I don't. I think that, right now I think his membership are probably very concerned. Don't know what's going to happen as far as the future is concerned. Concerned about right now, about six months from now when Texas Air takes control of Eastern. And two years down the road when the contract is up. At least that's what some of them tell me. I think. I'm surprized. I thought the reaction against him would be more severe and I've only heard limited criticism as far as Texas Air is concerned. I thought it would have been greater. Not because of Texas Air, just anyone in particular coming along and buying Eastern because of an unwillingness to deal with the company. But there's also a lot of people out there that he represents who feel the company is just been blowing smoke at them with their financial problems. You know, and maybe they've got a point. Not so much as blowing smoke but the credibility.

We've trained people over the years, I guess drummed it into them, only the last several years are we talking about yield. We used to talk about load factor. Break even load factors. And since de-regulation that's all gone, you know. You can have an 80 percent load factor and lose money if your yield is not right. And people constantly say to me "How could we be losing money when our load factor is 60 percent?" And you've got to explain to

them, well, you know, it's like selling a dollar bill for 89 cents sooner or later you're going to start losing money. But it's difficult when you're conditioned that way. And there hasn't been the events that would catch people's attention that we are losing money. Like severe cut backs on expenses and substantial lay off of people and cut backs on routes. So they don't see those -

Jerry Barrett: Some sort of a dramatic thing like that that would get their attention and say "oh, there must really be a problem here." So it's the problem of limping along rather than having one leg cut off or something like that.

John MacDonald: That's right.

Jerry Barrett: Has the International been much help with the machinists leadership? I understand Peter Paul is here from time to time. Has been involved in negotiations. Is that a helpful thing or not?

John MacDonald: I have not personally met Peter Paul. He has been around. I have been around. I don't think he's really helped anything as far as I can see. I think we have done a lot of wishing that he would help. But I don't see any. You'd really have to ask other people who have dealt with him personally on it. I don't think he helped us in 85 as far as the default on January 31. I don't think he helped at all. I think he was around here in January and February, periodically. He may have been around the day preceding the sale of the company. I don't think he helped us there either. I don't know whether it was an unwillingness or an inability.

Jerry Barrett: Basically then the way it has worked is that Charlie Bryan has called his own shots really.

John MacDonald: I think he has.

Jerry Barrett: There had been some, you alluded to before, some cooperative efforts undertaken in which, you know, employee involvement and that kind of matter. You know, through the ups and down you described through the beginning 81 the up and the down, the up and the down again. Has that continued or is that pretty much off again/on again thing?

John MacDonald: Well the employee involvement organization I think really started in about 83. Early 83. And it has been, when you're in negotiations and you're having problems that seems to die the involvement. Then the consideration, the caring about it. Then when you reach an agreement it seems to pick up gradually. There's still people who have pretty strong feelings on both sides and what was done. And it takes a while and then you get it back up and then you get things like the Wage Investment Program, the pre-Wage Investment Program skirmishes over bankruptcy and what had to be done. And then you get into the Wage Investment Program where people realize that we all have to work together to get where we want to go. And then you get in the situation in January of 85 when dollars are withheld and it's deader than a door nail. So it's all over the lot.

Jerry Barrett: It kind of a very human process then that it kind of reacts to every negative and positive thing that occurs.

John MacDonald: Absolutely.

Jerry Barrett: You have some people here, well not in Labor Relations but, in the Human Resources Function, that give staff support and encouragement to that?

John MacDonald: Yes.

Jerry Barrett: Is that a very active group or is that. Is that a part involvement those people have or are they-

John MacDonald: No they're full time. I believe there's about 10 management people associated with that. And there's at least one full time IAM and probably 3 or 4. You know they are very active. They do a lot of training. They won't go out and actively come in to the union and say "we're here to do your EI training and get you involved with the EI". It's a voluntary thing by the Departments. But if they do, they'll go in and do an organizational diagnosis and determine what their needs are, training needs and how they could foster an EI spirit in there. And they'll work them and coach them along.

Jerry Barrett: You mentioned that when you first went into negotiations, in 81, that Andrews was your boss and he was the one really handling those negotiations. At what point did he leave? And later you refer to Johnson being in charge. What stage in the process did Johnson replace Andrews?

John MacDonald: Well, Dwain went all the way through from the 81 to the 83 negotiations in the Fall. And was involved

at least in the very initial stages of Fall of 1983. At that point though, Dwain was aware that they were, the company was looking to bring in somebody else to handle Labor Relations areas. And Johnson, I believe, came in October 1 of 83. The agreement we agreed to agree and stop talking about bankruptcy, I believe on the 13th of October, I may be off a couple of days. And to be honest with you, I don't know whether Johnson or Dwain was in that agreement to agree. I think it was Johnson. And then he moved in and took over as the guy who is Chief and Dwain gradually moved into another area.

Jerry Barrett: What about your involvement with the IAM negotiations?

John MacDonald: I've only been involved with the direct contract negotiations. For example, I was not involved in the Wage Investment Program at all. Or any discussions actually that occurred in October or September of 1985 as far as adjusting the contract wages for the full restoration of 86. I knew it was going on. I prepared a lot of the items. I wrote the, drafted the agreement but I was not sitting in a room with anybody while it was discussed.

Jerry Barrett: Actually, who handles that now? Is Johnson the one that handles negotiations with the IAM? If there should be some.

John MacDonald: Right. Jack has the Labor responsibilities for all the unions. But because of his involvement in 83 and in 84 and early 85. I think he came to the

realization in 84, there was no way that he was going to be able to turn that over. He had established, at that time, a rapport with Mr. Bryan. And I think he felt that he could best serve the company by negotiating with him directly, as the Chief Negotiator. He did not do that with the flight attendants or the pilots. He was very much involved but he was not at the table (garble).

Jerry Barrett: Throughout all this period from the Summer of 83 on have you been able to observe the role that Usery has played in this?

John MacDonald: I'm not quite sure what role he played. He's a behind the scene type guy. He seems to be able to get a lot of things done but I don't know how he does it. Buries the smoke, I don't know.

Jerry Barrett: Well the thing in the Fall of 83 when there was an agreement to bring in the couple of financial people-

John MacDonald: Yes. Locker, Abrack and Laggard. He was involved with that agreement. And he was involved in the agreement to agree. That was part of that agreement to agree and stop talking about bankruptcy.

Jerry Barrett: What's your impression about that? Did it, as a result of those outsiders coming in and taking a look at the books in effect, and saying "Well it looks legitimate to me. There is a problem." Did that change minds of people in the machinists'? Was there kind of an "Ahha! We now believe you."

John MacDonald: I think it generally changed the minds of the people in the machinists'. As I say, it's always baffled

me a little bit because the guy the machinists had as their consultant working on that, was the same guy that apparently told them six months earlier that we had a lot of money. So, I, you know, it's mind boggling. Either he changes his mind quickly or we can make it and throw it away faster than anybody in the world.

Jerry Barrett: That is a puzzle, isn't it?

John MacDonald: But I think you know, it helped as far as the credibility of Bryan and the leadership because they had been making all these statements since 81 about the gloom and the doom and the unreported, unearned transportation revenue as a concept and how this was being used. That the company manipulate the books. So I think his membership, when he was able to go out and say "Hey, we're going to have our own people study it." made sense in that context. And during the period of 81-82 he had people going around. One of them was the President of the Local, Marty Yourra, who was making speeches to IAM membership and their wives and families at various locations. Saying "Hey, the company's got plenty of money. And here's how they're fooling you." "And here's how they're fooling everybody else." And he was just part of the talk show circuit as well. I have a recording of that somewhere.

Jerry Barrett: Oh really. Of the talk show?

John MacDonald: No of an actual presentation he did before.

Jerry Barrett: I'd be interested that because I'm curious as to whether it's based on a real misunderstanding of

the finance process or they really did have some theory about where the money was being hidden or how you were discounting things or -. I would be interested in seeing something like that cause that is a puzzle to me.

John MacDonald: We had a few of them around. I'll see if I can find one.

Jerry Barrett: You don't hear that anymore though, those kind of speeches.

John MacDonald: Not lately.

Jerry Barrett: You mentioned to me the first day that I met you that you're either already into or kind of embarking on sort of a planning functions for Labor Relations.

John MacDonald: Embarking on it really.

Jerry Barrett: Ok.

John MacDonald: What I've done since I've officially been in here has been things, I think I mentioned to you, that I wouldn't care to ever do again. That was to be involved with planning Chapter 11. I've also done research on the IAM contract but it all related to hopefully getting a new agreement and if not other courses of action that would be taken which, you know, are negative.

Jerry Barrett: So what you would like to do instead of that kind of planning, the planning that's just for negotiations or for potentially Chapter 11, is to do a little anticipation of -

John MacDonald: Get out in front of everything. Yea, right, right. There's a lot of things that I think, my job is

broadly viewed, I think, by Jack Johnson because he asked me for a lot of things. And sometimes I asked myself why did he ask me for that. But I'm the guy he's relied on for a lot of that information since he's been here. But I think I can make it just about anything I want. And I think part of that function is to really make sure that people are trained and understand what's going on around them as far as the contract is concerned. And we haven't done enough of that over the years.

Jerry Barrett: You mean like your first line supervisors and people like that? You referred before to them doing inappropriate actions in discipline and other things like that. And what you're saying is, if they were trained properly that kind of inappropriate behavior or interpretation of the contract would be minimized.

John MacDonald: Yea. And you know a lot of times if you really asked my opinion about specific situations at the time, I'd say that they knew that they were inappropriate, in certain instances. But they'd gotten nudged too many times. Cause they still felt that you weren't backing them. That you were white washing them. I think there has to be a healthy respect for where we are, you know, as far as unions are concerned. And what our role is in human resources. And what their role ought to be. And how you really get things done. There's a lot of work to be done in that area. A lot of computerized work to be done too.

Jerry Barrett: So you just would have better data in terms of what is going on. What kind of data like you mean in

terms of grievances that are handled. The way in which they're resolved?

John MacDonald: Yea. One of the things that we were talking about here and we've started, has to be refined, is all system board cases come up through this office. And we've started putting them in a computer. We've got about a year's worth history in there. That really is not good enough. We should have the grievances in there as well. But that's another little thing that we've got to be able to get our arms around so we can get them in.

But it was my thought that we could use that data to determine where we have problems with certain sections of the contract. Instead of training the world, we'd go and train the department that needs it. Or the manager that needs it. Or shop steward that needs it. And we could use a hell of a lot of things that way.

Jerry Barrett: That makes a lot of sense. Would you say that your processing of grievances, particularly on through arbitration, is fairly costly? Is there potential for reducing your expenses a great deal by-?

John MacDonald: There's a potential for reducing expenses from a number of point of views. First of all, if you had people who don't know the contract with the individualized cost center manager training, you could resolve it that way. You could also cut down on training, or expenses, and EI involvement. It's amazing what you can do with grievances when people get along. I mean a manager or an employee may be doing exactly the

same thing but they'd be able to sit down and talk it through and resolve it. And we saw that in 84, our grievances went to nothing. They were 80 percent down from the previous year. And when we get into little glitches we can see where that takes us. A secretary here mentioned to me the other day that we have as many system board cases this year as we did all of last year, already. And that's because of the first three months of this year. The first two months actually. And there's things you can do by fostering an atmosphere and by training that could knock them way down.

Jerry Barrett: So that's the role you're staking out for yourself here with, a planning function for Labor Management Relations. Will your focus be initially on machinists and then expand into the other two areas?

John MacDonald: Yes. By necessity I think that's had to be that way. Tom Clancey just joined Eastern four or five months ago. He really did not have the historical background as far as the machinists and the contract and what's gone on over the years. So that's why I've been trying to be a support to that area.

Jerry Barrett: He eventually will be taking over the machinists?

John MacDonald: Well he's got it. Except when he has difficulty understanding how something historically has been put together, I jump into it. Or when the Chapter 11 items. Because of my involvement over the last four years, four and a half years and because of observations for the fifteen years before that I was able to get in and do the Chapter 11 probably in a much, much

shorter time span, do a lot of it, and it was a lot, a lot of work, that it would take him months to do because he'd have to research everything.

Jerry Barrett: Can you briefly describe what that is, the Chapter 11 work that you needed to do? What -

John MacDonald: Well there were a lot of scenarios. I'll tell you one scenario was that we had to do procedural manuals for all the different possibilities of a Chapter 11. We had a pilot strike in Chapter 11. And then you go into how you go into court and what you present to the court. And how you put together procedures and proposals to meet and discuss with the union to come to a new contract. And if that didn't work, what you do then.

The second scenario would be that we'd go to Chapter 11 in a strike. And there's even things off that. There had to be a half a dozen of them that we did. That started off differently but ended up down the road.

Jerry Barrett: Ok. In order to do that, you not only have to know the current labor relations but you have know the history of it. For instance, the history of do the machinists and the pilots cooperate on a thing like this? What would happen if the machinists went? Would the pilots -? So you being steeped in the history of what has transpired here put you in a position where you could weave these scenarios as required.

John MacDonald: I 've also been, you know. I was involved in non-contract area. And one of the things I did was look at what we do with non-contract people. I was also a part of

that because I'd been involved with the contract negotiations. I knew what our objectives were if we could get an agreement with the machinists. I was able to say, "ok, here's what we do in a contract area. Here's what I think are inappropriate." And we did do some inappropriate things in the non-contract area. And if we eventually want to change the contract here because it doesn't make any sense, it doesn't make any sense here. So I helped them structure and acted as the catalyst on structuring some of our non-contract, non-management locals.

Jerry Barrett: Ok. You referred to, when we were talking before earlier about productivity among the machinists, that the culture here in the Miami base, of the machinists, is -- I mean the mechanics, not the union but the mechanics -- that it just wasn't encouraging of getting things done in an expeditious way. Can you understand why that is the case?

John MacDonald: No I don't I wish I knew. It still goes on. Our contract really, as far as this base is concerned, is not very restrictive. But it's always amazed me and how little productivity we can get when people don't want to work. And how we're not able to seem to get our arms around that.

I remember looking at something a couple of years ago where we were working substantial amounts of overtime in one of our shops and weren't getting any parts out of it. When reality the employees in that shop controlled the production. And because it's not like a factory where you product X number of wedgits, they produced X thousand possibilities. And it was a repair and

re-manufacturer or what have you function. So they would, being skilled workmen as they are, they would take the part, test it, determine what had to be done with it, which would also determine how much work they would have to do with it. Then they would determine what parts they needed to do. Now if you want to play games, what you can do is determine what parts are available and what parts are not available. The parts that are not available will determine what you have to do on this gismo over here. You don't particularly want to fix that.

Jerry Barrett: So the time just- . The clock goes on and the job doesn't get done in effect.

John MacDonald: You know I'm not saying everybody on this base does it but that's the driving force in a lot of departments. I mean we really are not very productive.

Jerry Barrett: So if you superimpose on that, that problem you were talking about where the manager maybe doesn't know what he should do with respect to discipline or enforcement of the contract, gets nudged, as you said, by the union a couple of times and then acts out inappropriately and then is not supported by management, that would be the supervisors in production anyway. That individual supervisor is less likely to be energetic in overseeing people in the---

John MacDonald: You're absolutely right.

Jerry Barrett: In the sense of saying "Come on so and so. I know you can do that a little quicker here. Why don't you do this, that and the other thing." And because he's not overseeing the kind of employee behavior your talking about is all the more allowed, in a sense.

John MacDonald: Well in a sense. He may not even be aware of it in a lot of instances.

Jerry Barrett: Ok. Without being that close to the situation he would not necessarily be aware -. Certainly, what you described through as the culture there, if you could introduce things like employee involvement, it could ultimately change that kind of thing. Where people would feel a part of it. Pride in what they're doing. Happy to have a good product going out the back door.

John MacDonald: Absolutely. Absolutely.

Jerry Barrett: That must be a source of frustration to you.

John MacDonald: A source of frustration to everybody on this base really.

Jerry Barrett: This is the largest place to isn't it where you have -

John MacDonald: Yea, this is the overhaul base.

Jerry Barrett: Ok, so you do have more mechanics, repair people here than anyplace else. Do you have any plans for that ultimately in your planning as to how to get an arm on that?

John MacDonald: No. I've seen a lot of proposals over

the last couple years on how to do that but -. It would take a lot of different thinking. One of which was that, for example, on the testing of this piece of equipment, is that you would test the equipment and advise your foreman or whoever, the planner there, who would help you go along with that testing and determine what you needed with it. And that you could squirrel away parts, which a lot of people do. You know, they'll do 99 percent of this and put it away and when overtime comes, miraculously it's -

Jerry Barrett: It shows up.

John MacDonald: Yea. It's amazing what we can do on overtime. But that would take a lot of restructuring of, from what I've seen, and I'm not by any means an expert in the area. It would take a restructuring of the shops and part flows and how they get work and. It could be done. It could be done.

Jerry Barrett: Some place I had heard that Joe Leonard, his name escaped me for a minute, that when he was hired he was in charge of the repair base here and that there was a lot of satisfaction expressed in his performance. Is that because he got along with the machinists well? What did he do? Do you know?

John MacDonald: I think the machinists respect Joe because he's honest and straight forward. I think he knows what he'd doing. It was interesting to watch him when he was in the operation services group because he knew what was going on. And he knew what was going on all over. And his background I guess, his technical background, and his directness and his ability to determine when somebody was blowing smoke at him. It just all

seemed to click and work very well. It was amazing what the results were. Incredible.

Jerry Barrett: So for a time there there was some improvements in the -

John MacDonald: Absolutely. Absolutely.

Jerry Barrett: But as you say the problem is that all these external forces influence it as well. Like the profitability in the later part of 85 and the company again sort of singing a song of we need some concessions because revenues are down and the reaction of the membership is -

John MacDonald: It puts - Well it could be conscious or unconscious. I think, you know, as you go through these ups and downs through the years you say "My God what's next?" And it's deflating you know. And I think the production in this building we're in, I don't think was appropriate in January and February. I mean people working on Chapter 11 were working like a son of a gun but you know, there were a lot of people sitting around, and I sure it was the shops, "What's going to happen?" And speculating on the next move or the next newspaper article. Or did you see what was in the Herald yesterday? And -

Jerry Barrett: The wheels were all turning on rumors.

John MacDonald: Yes, it just wasn't an atmosphere, an environment that would lead to a lot of productivity.

Jerry Barrett: I've run through most of the things that I was going to ask you about and we're getting near to the end of

the tape, got another seven or eight minutes. Are there some things you didn't get to talk about that you'd like to?

John MacDonald: I can't really think of anything that I wanted to go into. You know, I mentioned that I've always thought it would be fascinating for somebody to look at how the hell we got where we do as far as our employee relations are concerned. I'm not sure that would help but probably would, probably would.

Jerry Barrett: Yea and an appreciation of history I think is important. To understand, just as you own personal history is important, how you got to become who you are. The same is probably true of the labor relations here. It's just probably a lot more complicated than your personal history. So many actors, you know. So many events and other things that can influence it.

John MacDonald: Well one of the things you know, that I don't think I mentioned, is that during that 83, prior to the strike deadlines, the company did produce a lot of questions and answers that, trying to dissuade the IAM membership. And communicated directly with them that I thought was ultimately determined to be a rather negative -. It turned people off rather than convincing them. They were going to follow their leadership and what ever the company did just reinforced what the leadership had told them, you know. That the company's out to give you the business. And there is money out there.

Jerry Barrett: That's really unfortunate, you know. Because I assume that's the communications being made directly

with the members by Eastern was done in good faith with the best of intentions of informing, you know.

John MacDonald: Well yea, they were. It was, that intention, the intention of getting them to ratify that contract without taking us to the cleaners. And (garble) the best intention but it was negative -

Jerry Barrett: Yea, ineffective.

John MacDonald: And when we didn't go on strike, as I said before, with the kamikazes, that turned a lot of people off. I mean in the management. They say, "Hey, you know, this is all a bunch of malarkey." "We were led down a garden path and here's what you did for them and you told us you couldn't do this." It was a big credibility problem

Jerry Barrett: Now in hindsight that's easy to see how they would perceive it that way. Isn't it? That, as I understand it there was some, even some cross training of people to -

John MacDonald: Quite a bit of cross training.

Jerry Barrett: -handle jobs in anticipation of a strike. And so if you train me to handle the ramp or whatever and I'm ready, you know, -

John MacDonald: We had you all fired up. We had you trained and we had you in Houston ready to go. We're going to operate this and these people that you have considered to be a thorn in your side are going to be on the street and you're going to be there making this company work without them. And we're going to show you.

Jerry Barrett: Do you think on the machinists' side that all that preparation that Eastern engaged in, for a strike, did it cause them to have any second thoughts? Did they begin to blink?

John MacDonald: I don't think so. I don't know.

Jerry Barrett: And as I understand it, had there been enough funds, enough of cash flow, to take a few weeks of strike, they might have taken it.

John MacDonald: We'll never know.

Jerry Barrett: Yea. That's true. That's true. Well, I think on that speculative note, I'll tell you thanks. And if I have more I'll come back and talk to you. Ok?

John MacDonald: Ok.

Jerry Barrett: Thank you.

