



“Whispering through history”

Eastern Airlines was one of the biggest U.S. airlines during their existence. I flew with them in the ‘80’s and have loved them ever since. This article will focus on their history, the aircraft used, routes flown and the management changes which caused the airline’s demise.

By Roger Cannegieter

History

Eastern Airlines was founded in 1927 as Pitcairn Aviation which was later changed to Eastern Air Transport. It started flying mail from the northwest to the Carolina’s. In the ‘30’s it began passenger services using Ford Tri-Motors and the Curtiss Robin and Condor. In the mid ‘30’s World War II pilot Eddie Rickenbacker became Eastern’s president until 1960. Eddie could best be described as a benevolent dictator. For many years any expense over \$50,00 (raised to \$100,00 in the 1950’s) had to be personally approved by Rickenbacker. He was hated by Eastern’s unions as much as he was loved by members of those same unions. Eastern had a record of 30+ years of profitability that today only Southwest Airlines could come close to. Eastern Airlines became the dominant airline throughout the Northeast and much of the South of the United States. Eastern Airlines’ biggest hub was its domestic Atlanta hub with about 350 departures per day compared to 80 departures from their Miami hub although Eastern’s headquarters was in Miami. Unlike being a smaller hub than Atlanta, the Miami hub was Eastern’s international hub. In 1978 Kansas City became a hub, while Houston, San Juan and Charlotte were smaller hubs.

Fleet

Eastern progressed from the DC-3 and DC-4 to Constellations, DC-6, DC-7B, Martin 404 and finally the Lockheed 188 Electra of which Eastern had the biggest fleet. Eastern Airlines became early customer for the DC-9, 727 and DC-8 in the 1960’s. With the arrival of these aircraft the passenger service was transformed from no frills to lounges and gourmet food. This would later be known as the “Hockey stick” scheme, referring to the airline’s livery. Eastern ordered the 747, but this order was cancelled and the L-1011 was ordered instead. Three Pan Am 747’s were leased until the L-1011’s were delivered. In 1977 five A300’s were ordered by Eastern Airlines in a then controversial agreement

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also became the launch customer for the Rolls-Royce powered 757. In 1985 the DC-10-30 was introduced to the fleet to start service to London Gatwick.

to replace their DC-8’s as Eastern did not want to wait for one more year for the 767. As the A300 became the most economic aircraft in their fleet, more A300’s were ordered in the ‘80’s. In the ‘80’s Eastern

Europe

In 1979 Eastern became a candidate for the Miami-London Gatwick route and was in the process of painting and preparing two Qantas 747-238B’s for this route. The British authorities decided against allowing more foreign airlines operating flights to London (United Kingdom) and the 747’s were never flown by Eastern. When Air Florida filed for Chapter 11 on July 3rd 1984, the route authority to London became available again and was finally awarded to Eastern Airlines over World Airways in 1985. With Lockheed stopping production of the L-1011 in 1983 and the L-1011-500 having a capacity to low for Eastern’s Latin American operations, Eastern Airlines introduced the London Gatwick route with three DC-10-30’s which were taken over from Alitalia. The DC-10’s joined the “Inter-Americano” service and non-stop routes from Miami to Buenos Aires were introduced as well which the L-1011 couldn’t operate due to its shorter range. Poor load factors due to increased competition from Virgin Atlantic and the take-over by Mr. Frank Lorenzo led to the withdrawal from this route and the DC-10’s were used on other routes within the U.S. and Latin America. Two of the three DC-10’s were withdrawn from use in 1986, with the last one leaving in 1990.

Turbulent management

Eastern’s management was a very turbulent one. Eddie Rickenbacker became Eastern’s president in the 1930’s and stayed until 1960. Although he was great at running Eastern Airlines, he lacked vision that the other great leaders such as C.R. Smith, Juan Trippe and Bob Six had. He was known as a benevolent dictator where every expense above \$50 would have to be approved by him. He stubbornly refused to upgrade jet services, he kept passengers boarding aircraft from airstairs at even the largest hubs and refused to spent money on jetways until he was convinced they were necessary. His legacy became a curse over the years, his hatred of the Flight Data Recorder was well known, angering many people in Washington with any influence over

the airline industry. When applying for new routes he would get a fraction of what he asked while other airlines got everything they wanted. In 1960 he left the company and within five years Eastern became a completely different airline, introducing gourmet meals and lounges abandoning the no frills philosophy.

Eastern Airlines had gone through revolving door management during the late '60's and early '70's. Finally, Eastern Airlines settled on former astronaut Frank Borman which was best remembered for the television commercials in which he appeared. This was also considered the beginning of Eastern Airlines' end. Mr. Borman was criticised for his decision to order the European built A300 in a controversial deal where Eastern only had to pay for fuel and maintenance of the five A300's ordered.

Eastern Airlines entered the deregulation era finding it hard to adapt to the new environment. Their management was mainly based on bureaucracy with very senior and highly paid labour force. There was a vice president for everything as one executive told once. The Eastern Airlines' unions were used to getting what they wanted

and were now asked to make concessions. They were in fierce competition with Delta from their Atlanta hub and were now facing competition on their Shuttle services. All this made them a prime take-over target.

In 1985, Eastern Airlines was taken over by Mr. Frank Lorenzo's Texas Air Corporation. Eastern Airlines was gradually picked apart and more widespread strikes started within the company. Concessions were made by all Eastern Airlines' labour groups with the exception of the Machinists. The IAM (Eastern's Machinist's union) at Eastern was led by Charlie Bryan, who was every bit as underhanded and ruthless as Frank Lorenzo. He was determined that either Lorenzo or Eastern Airlines would go down. By late 1990, Lorenzo was in the process of being removed from control of the Texas Air Corporation. Eastern Airlines had sold off many of its assets, including their lucrative Northeast Air Shuttle operations. Eastern Airlines was trying to rise from the Lorenzo era as a business oriented airline installing leather first-class seats and selling them at coach fares. This strategy was beginning to work as loads increased and Eastern Airlines had its first profitable quarter in years.

The high fuel prices and fears brought on by the start of the Gulf War, forced Eastern Airlines to file for bankruptcy and ceased operations on January 18th 1991. Their Northeast Shuttle was sold to Donald Trump for \$350 million, their System One Direct Access (SODA) global distribution system was sold to EDS while their South American route system was sold to American Airlines for \$880 million. The remaining assets were sold off at auctions in a Chapter 7 bankruptcy liquidation of the company.

In 1994, Eastern Airlines' court-appointed Bankruptcy trustee Martin Shugrue attempted to revive Eastern Airlines, looking at acquiring new 737-400 and 757 aircraft flying many of Eastern Airlines' old routes. As the airline industry itself was in a very bad shape during that period, the "new" Eastern Airlines never got off the ground.

Eastern Airlines will go in the history books as the first big airline failures, despite being one the greatest airlines of its time. Bad management and machinist strikes forced the airline to go bankrupt.

*More at Eastern Virtual Airlines:
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Eastern Airlines Boeing 757-225 at Miami, FL, November 3, 1987. Photo by Johan Ljungdahl