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PRACTICAL PROBLEMS IN AIRLINE NEGOTIATIONS

BY KAY McMURRAY†

BEFORE turning to the substance of my remarks, I must express great pleasure, mixed with surprise, that I have been invited to appear as luncheon speaker today. I experience pleasure for two reasons. First, those of us who are involved in everyday negotiations are often awed at the intelligent and concise way in which the academic world approaches our difficult problems. This approach may not provide the solution, but it is normally quite intelligent. Consequently, I must accept the invitation to participate as indicative of recognition of the Air Line Pilots Association's activities in the areas under discussion. Secondly, many of the management representatives here today, if experience provides any indices, have a normal tendency to argue, however, in this instance I have the upper hand, and I hope their self-control will not be too sorely tried. It is for the latter reason that I am surprised at the assignment of luncheon speaker. I am not certain that such a confrontation is designed to provide the peace of mind which is so important to the digestive processes. I will, however, attempt some form of moderation to salvage the situation.

Keeping this in mind I might begin on a somewhat comforting note. In an attempt to provide this body with meaningful comments, I conducted a survey among negotiators, arbitrators, professors, company executives and government officials, and in so doing, attempted to ascertain the problem or problems which appeared to be of particular timeliness and significance. My survey, with almost a 100 percent response, concluded that there were no current problems or issues in airline collective bargaining. Now I might conclude my presentation at this point, and we could all leave this luncheon with a sense of well being. Unfortunately, my experience with surveys, section 6 openers, and statements has resulted in a sense of skepticism which requires further objective research. I could not accept such a conclusion in view of the recent activity in our Association and the academic interest shown by the organizers of this symposium. Accordingly, I was successful in uncovering a few problems.

I realize that incorrect assumptions can negate the most logical argument, however, at this point I feel I must describe certain ones in order to provoke meaningful thought. One such assumption is that my comments are directed not to the laymen, but to a group of reasonably sophisticated individuals in the processes of collective bargaining and the statutory procedures under which it operates in our industry. It is not necessary, for example, to discuss government wage guidelines or the recent

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wage settlements in the industry, for you are reasonably familiar with such matters. Our people are, of course, knowledgeable of settlements and I suspect that our wage demands, while not modest, will come as no surprise. Another assumption is that in the academic atmosphere of a university symposium we can feel free to discuss matters frankly in an effort to create processes whereby our differing interests can be resolved in a manner which will not stifle our dynamic industry. I hope some of our own members who are present will accept some of my comments in this light.

Briefly, some of the immediate problems uncovered as a result of the survey, and which were abandoned, may be described as follows. This listing is by no means complete and is confined only to those areas in which our organization is directly involved:

1. Negotiations with two major air carriers which as of today show strong signs of developing into a strike situation.
2. Problems associated with the recent tendency for air carriers to sub-contract services on portions of their routes to third level carriers.
3. Crew complement problems on some of our twin-engine jets.
4. The Association's active interest in improving pension administration, disability retirement and insurance benefits.
5. Problems associated with our two most recent mergers.

In short, the list could be expanded but the purpose of this presentation would not be furthered, for any of the foregoing problems would require more than the available time to discuss them meaningfully. However, as I review the negotiating problems from day to day, there emerges a constantly nagging concern with respect to both parties in their approach to solutions of our negotiating problems. Our current approach can be characterized as a hesitant seeking for some millennium wherein we can escape the concerns and bruises of our historical bargaining procedures. I am not opposed to such a search, however, I do hope that realistic practicality will assure a continuance of the real world in which we exist.

Let me see if I can more clearly outline this concern and possibly suggest some steps which could be helpful. Again, I must take the calculated risk of oversimplification. For the purpose of this outline I am going to assume that the parties to our collective bargaining process are three in number: The organization, the company and, as mediator or umpire when required, the government. These parties emerge if we review our progress in retrospect. Historically these parties have succeeded quite well. Even though some stress and occasional economic warfare have occurred, these parties to the process can be considered as healthy, active and progressing well in a worldly sense. The economic growth of the airlines and the improvement in benefits to the employees are certainly not symptoms that the collective bargaining process has been a failure. If we view the current situation in proper perspective we may have reached full cycle in the process and now be back, in a sense, to where we started years ago. We do, however, possess knowledge and experience which should provide a constructive and more mature approach as we continue to seek solutions in

the next cycle. In this connection, I am reminded of a session which occurred some years ago, shortly after I assumed my position with ALPA. One of the top officials of the AFL-CIO was attempting to mediate a dispute between our organization and another affiliated group. During a lull in the process, about 3 a.m., the official made some rather caustic remarks about the late President Franklin Roosevelt. I was new in this work and came from a rather conservative area where most people considered the former President somewhat of a radical. Consequently, such a reference from a labor official surprised me. Upon further questioning I received a response as follows: "That conservative so and so, who ever heard of collective bargaining until he came along. We used to collect the workers' demands, lay them on the boss's desk, allow twenty-four hours and if the demands weren't satisfied we struck. Then he came along and forced us to bargain collectively." This was the first time I knew that the gentleman in question could be characterized as a conservative. Today I find some of the same views in our organization. Some of you may not realize that the membership of ALPA has doubled in the last five years, and that these new members are people of exceptional ability with excellent educational backgrounds. They do, however, include a militant group whose approach to collective bargaining is similar to pre-Title II days. Is this a spirit of confrontation similar to that expressed today on our campuses? I am unable to judge at this time, yet some present today recently have expressed concern regarding the legality of certain pressures exerted by a few of our bargaining committees. If their judgment is correct are we not in the posture of the cycle previously noted?

Let me now comment briefly on management's posture as determined by their recent actions. You may recall the relatively recent withdrawal from service by the IAM which caused a work stoppage on several of the airlines. Sometime later that withdrawal was described by the president of one of the airlines involved as being compounded by the carriers' reliance on the government and the possible passage of legislation. "Damn it," he said, "when we faced the fact that we had to negotiate, the solution was reached." Although many of you may differ there is merit in the statement. Management's posture is further evidenced by its great interest in new labor legislation. In addition, there appears to be a strong movement among management to provide in the contracts that negotiations without agreement must end in arbitration. The difference between a contractual process which denies the use of economic force and so-called compulsory arbitration is only a matter of shading at best. Needless to say, our organization will continue to oppose such a solution.

Now I hope the cycle is somewhat clearer. We find both parties in a posture similar to that of several years ago. The organization is working with methods which helped prompt early legislation, while the carriers are pushing hard for legislation designed to solve all their problems. No useful purpose will be served by attempting to fix responsibility for such a posture since both parties are guilty of past errors; however, the solution does

not lie in legislation, compulsory arbitration or any other form of compulsion.

It is difficult to believe that processes which worked while the industry grew to its present economic position can be all bad. Perhaps we should look closer at our present processes, because many difficult problems arise when we depart from the present legal procedures. This statement may appear to be naive, yet it may be the best of available alternatives.

For a workable solution to the present process on behalf of the organization, an educational process would appear necessary; ALPA is now finalizing such an organized program. The educational process, however, may not be simple, and it may require experience in the operation of economic forces. Yet many would agree that this experience would be beneficial. On the part of the carriers, more thought and effort must be given to the negotiating effort and less reliance placed on legislation. All would agree that a withdrawal from service is an economic loss to everyone involved, but there are worse evils. For example, perhaps bankruptcies or business failures are part of the price we must pay for a free economic enterprise system. Most people would object to price controls because they constitute the same danger in our economic system. Management's contribution in this area should be an approach to bargaining with a willingness to accept the economic consequences of failure as well as success. Yet many of our negotiations have been needlessly extended and the problem has been magnified because the carrier was overly concerned with the economic threat of a strike. The unions do not like them either and accordingly, sometimes when the parties face the ultimate consequences, a settlement results. Although the foregoing statements are oversimplified, they place the problem in the posture which the present processes contemplate.

Sometimes the government is also a party to the process. At present it is too early to determine the attitude of the present Administration in the actual collective bargaining situation, however, I hope that it will allow the processes to function without undue interference, because, as everyone is aware, government responsibility is fairly well outlined under the statutes. We should also be aware of problems which have arisen when higher authority intervened and in effect stopped the functioning of normal statutory processes. Perhaps both parties to the collective bargaining process can assist in this area, for it is doubtful that the legislative founders of our present processes envisioned intervention by the highest government authority such as we have recently experienced. Statutory intent of this type of intervention is not apparent in the statutes. As we start up the cycle we should take this factor into account. Moreover, as experience has taught us, we should again operate under the processes as they were designated to and did operate for a number of years.

The foregoing contained assumptions and simplifications which are arguable; however, it is my hope that some of the statements will spark constructive thought. I do not mean to imply that the present statutes and