

## Three major carriers: who really runs them

### United Airlines

**Financial control:** An amalgam of top New York, Chicago, and West Coast finance, including: British Empire financier Clement Melville Keys; New York international banker Rufus Dawes; Chicago elites Philip K. Wrigley, Lester Armour, Phil Swift, and Marshall Field II; and West Coast interests linked to Wells Fargo, Bank of America, and Boeing, which have connections with Warburg and Italian financial oligarchs. The present board reflects the same groupings including two trustees of the Ford Foundation, Stanford Research Institute and RAND Corporation and two directors of the American Security and Trust, a Harriman bank.

**Corporate strategy:** Created UAL as a holding company identical to railroad holding companies being formed in 1970 to milk the operating companies for the financial benefit of the holding company and its financiers. Diversified into hotels: merged with Western International Hotels in 1970, acquired three Hawaii hotel groups including Olohana Corporation from Laurance Rockefeller in 1979, and bought GAB Business Services, Inc., an insurance adjustment and appraisal company in 1975. Given holding-company asset mix, airline losses can profitably shelter other income. Airline company has asked employees for work-rule and wage reductions based on 1980 operating losses.

### Eastern Airlines

**Financial Control:** Emerged from the breakup of the postal-airmail contracts in 1933 as a Mellon-Rockefeller company with strong ties to the Caribbean. Became a vehicle for incorporating an Atlanta elite into the New York-British financial circles who still control Eastern through such individuals as directors Laurance Rockefeller; Harper Woodward (Rockefeller Family & Associates); Wesley Posvar (University of Pittsburgh/Mellon); Roswell Gilpatrick (Cravath, Swaine & Moore); and Clifton Phalen, chairman of the Marine Midland bank, which voluntarily merged with Dope, Inc.'s central bank, the Hongkong and Shanghai Bank.

Director Felix G. Rohatyn, Lazard Frères partner, is an important link to the European financial

networks of the "black nobility."

**Corporate strategy:** In 1970, Eastern worked with Laurance Rockefeller and Rockresorts to build the Cerrmomar Hotel adjacent to the Dorado Beach Hotel in Puerto Rico; both hotels disposed of in 1976, but condominium properties kept. Purchased National Distribution Services, Inc. and Caribair in 1973. Pattern of acquisitions similar to other airlines. On the basis of airline losses, the company has asked employees for wage and work-rule modifications.

### Pan American Airways

**Financial control:** Originally, a creation of New York-London international bankers through South American, Far Eastern, and New York operations. Included William Vanderbilt, Cornelius Vanderbilt Whitney, William Rockefeller, and longtime Pan Am President Juan Trippe, scion of a Baltimore banking family. Early operations included flights for Dope, Inc.-linked United Fruit Company in Central America and the mail route from Key West to Havana. Was also financed to shut the Germans out of South America and open links to the Far East—the well-known Pan Am Clipper service. Said to have been run by the British Admiralty which designed Pan Am's flight rules; a major investor was Winston Guest, a cousin of Winston Churchill. Later directors included Global 2000 advocates Otis Chandler (*Los Angeles Times*), Frank Stanton (Arco), James S. Rockefeller, Cyrus Vance, and Thomas Watson, Jr. (IBM), Sol Linowitz (Coudert Brothers, a top oligarchic law-intelligence firm).

**Corporate strategy:** The leader in creating a hotel, real-estate, and services conglomerate around the airline, it is also the worst managed, and the biggest loss-maker. With an international advisory board of much renowned oligarchs, including Peter G. Petersen, chairman of the Lehman Brothers-Kuhn Loeb, Andrew Heiskell, former chairman of Time, Inc., and Chinese history Prof. John K. Fairbanks, the bad management must be considered part of an international money operation. The airline has asked employees for a 10 percent wage cut and has begun very heavy layoffs, currently at the 15 to 20 percent level.