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## Interview: Bill Dugovich

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# Shareholder value is destroying Boeing

*Bill Dugovich is a spokesman for the Society of Professional Engineering Employees in Aerospace (SPEEA), which has been on strike against the Boeing Company. He spoke with Marianna Wertz on Feb. 29.*

**EIR:** I noticed that SPEEA Executive Director Charles Bofferd posted the following statement on your website: “We are not fighting *against* Boeing; we are fighting *for* Boeing. We want to see employees and customers respected as much as shareholders. In fact, we think that the current obsession with shareholder value threatens Boeing’s long-term survival.” Can you expand on that, and say whether that is new with Boeing, since the merger with McDonnell Douglas?

**Dugovich:** Yes, in many ways it is new. Traditionally, Boeing has prided itself in developing cutting-edge products, new airplanes, developing technologies, the kinds of things that you can sell because they’re great products. Because they’re great products, people buy them and the company makes money.

Since the merger and since the outsiders have come into the Boeing Company, there’s been a shift in emphasis. The shift is, research and development money has been funnelled to areas where they can develop new ways to cut costs, in production and in engineering. You can look up several of the executive statements, Harry Stonecipher [Boeing CEO after the merger with McDonnell Douglas] said it, that Boeing is primarily interested in stock value, shareholder value. The bottom line of that is, you sacrifice employees, you sacrifice the product for the sake of the stock price. If you’ve watched Boeing’s stock recently, it just isn’t working. The stock is going down, the morale is going down, sales are going down.

That’s a large part of what these people are striking over. These are engineers and technical workers, who pride themselves in building planes that fly higher, faster, and farther. In order to let them do that, you need to have an environment that treats employees fairly.

**EIR:** Do you think there’s a real threat that Boeing could lose its engineering staff, and therefore go down the drain as a company as a result of this strike?

**Dugovich:** They’re doing it right now. Before the strike, there were letters printed in our newspaper about people leaving, because of the atmosphere at the Boeing Company. Currently, we know that many of our workers—they’re high-tech

people, they can go out and get a different job somewhere else. Many of them, the first day of the strike, sent out their resumé. We’re frankly telling them, don’t turn in your resignation to the Boeing Company right now, because, whatever we win in the strike—or whatever we’re able to secure, I should say—if there’s a bonus, they could still be on the employee rolls and they could collect that. They’re certainly due it for their work, for what they’ve done over the years. And then turn in their resignation.

**EIR:** Do you think it has a broader significance than just the Boeing Company?

**Dugovich:** I certainly do. This strike has been nicknamed “The Dilbert Strike,” for lack of a better word, and they’re proud of it. They’re the Dilberts of the world. [“Dilbert” is a TV situation comedy cartoon program, aimed at adults—ed.] They’ve been pushed around. They’ve been put in their cubicles and their work has been marginalized enough times, and it’s been changed, good people laid off. They’re saying, “Enough is enough.”

There are two key things about this strike. Charlie Bofferd is absolutely right. This is not against Boeing. This is a fight *for* Boeing. And the reason that’s true, is because if you go out and you walk the picket lines, the years of service that you come across are extremely evident. All the people with less than ten years, many of them have been laid off. What you have walking the picket lines are people with 10, 20, 25 years. I talked to a guy last night who’s worked at the Boeing Company for 35 years. They stay with Boeing because they love the company. They love the work. They love working in aerospace.

We have people in engineering who are third-generation Boeing employees. Second generation is not unusual at all. They see what upper management is doing to this company right now, and it breaks their hearts.

The other thing is that, in this bargaining unit, we represent 21,000 employees. We have a little over 14,000 dues-paying members. Nineteen thousand people walked off the job on Feb. 9. That tells you that thousands of people, who were not dues-paying union members, walked off the job, because they share the concern over this company that we all do.

**EIR:** Boeing is one of the last companies in the country that had the respect of its employees, until recent years.

**Dugovich:** That’s true.

**EIR:** The changeover that McDonnell Douglas has brought about with the merger is what’s happening in the rest of the economy. Lyndon LaRouche has pointed to this in terms of the whole industrial sector of America.

**Dugovich:** That’s true. And that’s why this is so significant. It should be a warning signal to other corporations, that you need to start paying attention to your employees.