The George W. Jalonick III and Dorothy Cockrell Jalonick Memorial Distinguished Lecture Series

A Hero in His Prime
Edward V. Rickenbacker and Eastern Air Lines, 1934-1941

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Presented at
The University of Texas at Dallas
McDermott Library Auditorium

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The George W. Jalonick III and Dorothy Cockrell Jalonick Memorial Distinguished Lecture Series was established to inform and enlighten the public about the history of flight by bringing aviation notables to the Dallas community.

Dorothy and George Jalonick III were special friends of The University of Texas at Dallas and the History of Aviation Collection. This series was endowed in their memory by their children and friends.

The History of Aviation Collection

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- George Williams World War I Aviation Library
- Admiral Charles E. Rosendahl Lighter-Than-Air Collection
- General James H. Doolittle Collection

The HAC also holds hundreds of individual collections ranging from aviation pioneer Ormer Locklear to commercial aviation. In addition, the HAC includes more than 50,000 books, magazines and newspapers.
A HERO IN HIS PRIME:
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It is a great honor to be chosen as the Jalnick Memorial Lecturer for 2002, one of the highlights of my career in the history of flight. I wish to thank Mr. George W. Jalnick IV for endowing this distinguished lecture series as a tribute to his parents, George W. Jalnick III and Dorothy Cockrell Jalnick. I also wish to commend Larry Sall for his role in nurturing the superb History of Aviation Collection at the University of Texas at Dallas for many years and Erik Carlson for the dedication with which he is now directing it. Thanks to them the legacy of flight, one of the supreme expressions of technological ingenuity, is being preserved and extended to inspire future generations.

The lecture I will give today is not simply about aviation history but about the human condition - its triumphs and tragedies, its hard-won moments of fulfillment and endless frustrations, and the vulnerability and suffering it inescapably involves. My presentation will also stress the unpredictability of life and the role played by fate in its unfolding. Edward V. Rickenbacker, the pioneering figure about whose experiences I will tell you, was born in poverty and had to quit school in the seventh grade to support a widowed mother. Despite his lack of formal education he became a national hero and one of the most successful entrepreneurs in the development of American commercial aviation. Then, suddenly, two shattering events that took place in 1941 and 1942 brought him near death, leaving him permanently impaired. Through sheer force of will he survived for three more decades, showing the indomitable courage that was a basic part of his makeup, but things were never again the same. I will talk chiefly about the zenith of his career as an airline executive, but to put his achievements in proper perspective I must recount the obstacles and failures he experienced as he struggled to attain his goals. It was because millions of his fellow citizens recognized the odds he had faced that they could empathize with him and identify him as a living symbol of cherished characteristics that made the United States great. He epitomized individualism, the work ethic, and

the creed of the self-made man.1

In February 1919, Rickenbacker, who had become America's Ace of Aces by shooting down 26 German aircraft in World War I, came home as a national hero. He had been an automobile racer before America entered the war, winning seven major championships in three years, but he had no desire to return to motor sport after tasting the thrills of aerial combat.2 He had fallen in love with flying and wanted to become a leader in the aircraft industry, but the time was not ripe to realize his ambitions. He hoped his wartime patron, Billy Mitchell, would succeed in establishing a separate air force, but Mitchell, who had a rare talent for alienating his superiors, met fierce resistance in the military establishment and it became increasingly clear that his cause would fail.3 The market for airplanes was saturated with war surplus trainers - Curtiss JN-4 "Jennies" - that could be bought for a proverbial song and used in barnstorming. Airmail routes were in operation but were operated by the government, still waiting to be opened to private enterprise. The opportunities for which Rickenbacker was looking did not yet exist.

Seeking solitude in New Mexico, where the stars shone with uncommon brightness in the dark desert sky, Rickenbacker pondered what to do. He decided to fall back on what he knew best - automobiles. Byron F. (Barney) Everitt, a Detroit millionaire who had once made a car called the EMF and wanted to return to the industry, offered to back Eddie in manufacturing a motor vehicle to be named in his honor.4 Going to California while Everitt looked for a factory site in Detroit, Rickenbacker gained sales experience by promoting the Sheridan, a car recently acquired by General Motors.5 The zeal with which he organized dealerships and pursued sales caught the attention of Pierre S. du Pont, William C. ("Billy") Durant, and Alfred P. Sloan, who headed the automotive giant.6 This connection with GM became the key to much of Rickenbacker's later career.

Rickenbacker's ties with GM were further strengthened in 1922 when he married Adelaide Frost Durant, the ex-wife of Billy Durant's son Cliff, a playwright and racing driver known for heavy drinking and womanizing. Billy Durant was fond of Adelaide and knew she was not responsible for the failure of his marriage to his dissolute, philandering son. In 1918, when Adelaide left Cliff, Billy set up a trust fund for her based on 4,200 shares of General Motors and United Motors stock valued at $120,000 - a huge sum of money at the time. Billy continued to give Adelaide large amounts of stock as birthday and Christmas presents. Rickenbacker was ill at ease with Adelaide's taste for luxuries he could not afford to give her, but her wealth became a valuable asset in his career.7

After a long European honeymoon in which Adelaide shopped for jewelry and apparel while Eddie went to automobile shows, the newlyweds set up housekeeping in Detroit, where Everitt had acquired a factory in which to build the Rickenbacker. It was advertised as "A Car Worthy of Its Name." Known by local admirers as "the Ty Cobb of the clouds," Rickenbacker tried
to succeed but his dreams eluded his grasp in the bitterly competitive market and treacherous ups and downs of the national economy in the 1920s. Walter Chrysler was more adept in making a profitable car in the Rickenbacker's price range. In 1926 production fell sharply, and Rickenbacker pulled out, saying his company was "in a ditch and out of the race, and the best way I can let people know we're out of the running is to walk away with the wreck." The failure left Rickenbacker deeply in debt but he refused to take refuge in bankruptcy and spent years paying off his creditors.

Rickenbacker's inability to concentrate on making cars with his heart in the sky contributed to the failure of his motor company. During its descent into failure he tried to develop an "airplane for the masses" similar to the "flying flivver" that Henry Ford was making at the same time. The project resulted in a five-cylinder radial engine and a roadable airplane with foldable wings but Rickenbacker did not have the capital to pursue the venture. In 1925 the Kelly Act turned airlorn routes over to private contractors. While still involved in his automobile company, Rickenbacker joined wartime comrade Reed Chambers in developing Florida Airways to operate a mail and passenger route between Atlanta and Miami. Partly because of a terrible hurricane that hit Miami late in 1926, the venture failed. Rickenbacker and Chambers tried to get a contract to fly airmail to Cuba but were blocked by an entrepreneurial genius, Juan Trippe, who got the route instead and built it into Pan American Airways. Meanwhile, Harold Pitcairn, son of a wealthy Pittsburgh family, acquired the dormant airmail contract between Atlanta and Miami and combined it with the rights to fly airmail from Atlanta to New York, calling his venture Pitcairn Aviation. Clement Keys, a Wall Street wizard, bought it out, renamed it Eastern Air Transport, and added it to a vast holding company called North American Aviation.

Rickenbacker tried to hide his feelings but was devastated by his failures. He also hated being upstaged by Charles A. Lindbergh as America's most famous aviator and greatest national hero. Rickenbacker's credit reputation remained intact, and he bought the Indianapolis Speedway, but it was active only in May and did not fulfill its restless energies. Late in 1927 General Motors came to the rescue. GM's Cadillac division had just introduced a highly successful new car, the LaSalle, and named him general manager for sales. Cadillacs and LaSalles sold well in the late 1920s but Eddie was frustrated because he wanted to be back in aviation. He jumped at the chance to reenter it in 1929 when GM took control of Fokker Aircraft Corporation of America, founded by Anthony Fokker, a Dutch designer against whose planes Rickenbacker had had fought in World War I. Eddie had helped negotiate the takeover and became Vice President for Sales for Fokker, which GM combined into a new firm, General Aviation. He moved to New York City, across the Hudson River from the Fokker plant at Hasbrouck Heights, New Jersey.

Rickenbacker did his best to sell planes including the Fokker F-32, a giant airliner that was too uneconomical for airlines to buy after the Great Depression hit the country in October 1929. His job was further complicated in 1931 when a Fokker F-10A Trimotor crashed in Kansas. Among the passengers killed was Notre Dame's famous football coach, Knute Rockne. After an investigation, government officials decided that the Fokker's wooden wings were to blame and temporarily grounded seventy F-10As. Because of the debacle GM decided to concentrate aircraft manufacturing in Dundalk, Maryland. Rickenbacker resigned from GM rather than leave New York City, with which he had fallen in love.

Rickenbacker now became Vice President for Public Relations with American Airways, a sprawling conglomerate that was losing money under the inept control of New York investment banker W. Averell Harriman. Soon after Rickenbacker joined American Harriman acquired Century Airlines, owned by Errett L. Cord, a tight-fisted entrepreneur who was competing vigorously with American on two of its route segments. Cord gained a seat on American's board of directors as a result of the merger. Seeing the ineptitude of American's management, Cord launched a proxy fight to acquire the enterprise and succeeded in taking control. Soon thereafter Cord elevated a young Texan, C. R. Smith, to run American. Rickenbacker was friendly with Cord but sided with Harriman. Cord wanted Rickenbacker to stay with American but he refused and resigned early in 1933.

Rickenbacker quit American because he had something bigger in mind. At his instigation General Motors had already bought the Allison Engineering Company, which had begun as a maker of race cars, and Pioneer Instruments, which later became known as Bendix Aviation. Eddie paid his remaining debts from the failure of the Rickenbacker Motor Company with finder's fees from these transactions. Now he saw that an even greater opportunity had been created by the bankruptcy of Clement R. Keys in 1932. As a result, Keys's giant North American Aviation holding company, which controlled Eastern and TWA and had $89,000 worth of stock in the Douglas Aircraft Company, was on the market. During the proxy fight with Cord Rickenbacker had tried to persuade American Airways to acquire North American. When this effort failed he conceived another plan.

One of GM's key executives was Ernest K. Breech, a cost accounting expert. On Christmas Day 1932, while Rickenbacker was still with American, he and Adelaide paid a social call on Ernie and Thelma Breech at their suburban home in Larchmont, New York. During the visit Ernie knocked over the Christmas tree trying to straighten an ornament at the top, knocking decorations all over the floor and causing Thelma to cry, but the visit turned out well. Before leaving, Rickenbacker told Breech he wanted to see him at his office the next morning to talk business. At the meeting Rickenbacker proposed that General Motors acquire North American Aviation. Breech liked the idea. Putting it into effect required complex
negotiations going all the way up to Walter S. Carpenter, chairman of GM;’s finance committee, in Wilmington, Delaware. Ultimately the deed was done and GM took control of North American. It was a huge step for the airline industry, which had been hurt by the Depression. GM’s entry into commercial aviation signaled the financial community that airlines had a future.13 Breech now became head of North American. One of his first moves was to make Rickenbacker a vice president in the giant holding company. Rickenbacker had played an enormously important role in getting General Motors involved in aviation through the takeovers he had helped bring about-Fokker, Allison, Pioneer, North American. Now he was back with GM in a higher position than he had ever before occupied.

In 1933, the year GM took control of North American, Franklin D. Roosevelt became President of the United States. General Motors and the Du Pont Company, which had a controlling interest in GM, had helped Roosevelt get elected. Pierre S. Du Pont and other members of the powerful Delaware family were deeply opposed to Prohibition, which Herbert Hoover supported, and also believed Roosevelt would follow more conservative fiscal policies than Hoover, who, the Du Ponts believed, had exceeded his constitutional powers in fighting the Depression. Rickenbacker himself voted for FDR in 1932. When Roosevelt’s policies turned out to be far different from what the Du Ponts had expected they turned against him and founded the ultraconservative Liberty League. General Motors was closely allied with the League. So, too, was Rickenbacker.16

In 1934 Roosevelt canceled existing airmail contracts in the wake of a scandal that erupted over the way in which Hoover’s Postmaster General, Walter F. Brown, had rebuilt the nation’s airways at a series of so-called “Spoils Conferences” in 1930. FDR assigned the task of carrying mail to the United States Army, whose pilots were ill-trained and ill-equipped for the task. GM and the Du Ponts were among parties in the aviation industry that were deeply offended by FDR’s action, which seemed to confirm that Roosevelt had no business ethics and had violated sacred contractual obligations. When several army pilots crashed and died getting ready to carry mail, Rickenbacker said that FDR was guilty of “legalized murder.” He and Jack Frye, TWA’s general manager, had already decided to embarrass Roosevelt by trying to set a new transcontinental speed record on the last day of regular mail delivery by flying a revolutionary new airliner, the Douglas DC-1, from the Pacific Coast to Newark, New Jersey with a shipment of mail. The flight was a success, setting a speed record of 13 hours, 4 minutes. Easily ignored in this famous flight is the fact that North American, which (as I have said) included Eastern and TWA and had a heavy stake in Douglas, was controlled by GM. Along with the Du Ponts and the Liberty League, GM was thumping its corporate nose at the New Deal. Think of the DC-1 as a cruise missile aimed at FDR and you will get the picture.

Roosevelt backed down under the pressure of public opinion and invited bids from private contractors, but a new air mail act banned airline executives who had attended the “Spoils Conferences” Brown had held in 1930. Because of this provision Eastern’s president, Thomas B. Doe, who had attended the conferences, had to give up his post. Breech now took formal command of the airline. Too busy to run its day-to-day affairs, he asked Rickenbacker to become general manager. Rickenbacker assumed the post on January 1, 1935. At long last, he was in charge of an airline.

The new airmail law stipulated that no carrier that had previously carried mail for the government would bid on a new contract. This provision was self-defeating because only the existing airlines had the equipment and expertise to carry mail. In a transparent subterfuge, Postmaster General Farley ruled that an old airline could become a new one merely by changing its name. Eastern Air Transport thus became Eastern Air Lines. Another provision in the law prohibited companies that made commercial planes from operating airlines. Breech circumvented this provision by making Eastern a division of North American, not a corporation in its own right, and making North American strictly a manufacturer of military planes. By such legerdemain Eastern got back its airmail rights.

Eastern was floundering when Eddie became general manager. Apart from the experience and loyalty of its employees, its main asset was a potentially lucrative passenger route from New York City (Newark International Airport) to Miami. Selling Eastern’s outmoded Curtiss Condors and Pictairn Mailwings, Rickenbacker acquired more efficient Douglas DC-2s, an updated version of the original DC-1, and shiny new Lockheed L-10 Electras, smaller but equally economical planes. He christened his new aircraft “The Great Silver Fleet,” an effective advertising slogan, and chose the Duck Hawk (Peregrine Falcon), supposedly the world’s fastest bird, as Eastern’s corporate symbol. Firing old and jaded executives and station managers, he recruited fresh executive talent, revamped the carrier’s traffic policies, and established pioneering medical, radio, and meteorological departments. He shifted most maintenance and operational facilities to Miami, which along with Atlanta and Newark became one of the Eastern’s three main operational centers. The administrative and financial headquarters remained in New York City, at the General Motors Building on 1775 Broadway.

One of Rickenbacker's managerial achievements was improving fleet utilization by making the most of the economic benefits offered by DC-2s and L-10s. For example, he greatly increased the number of daily flights between Newark International and Washington, creating a "merry-go-round" that Eastern advertised as the most heavily-traveled air route in the world. Rickenbacker was also a penny pincher who calculated costs in mills and would not permit anyone in the organization to spend more than $50 without his written consent. As a result, Eastern, which had lost $750,000 in 1934, turned a small profit of $38,000 in 1935. By 1937, bolstered by the adoption of Douglas DC-3s, it was posting earnings of almost $200,000. In 1938 its earnings went up to approximately $225,000—higher by far than the
profits of any other airline at the time.

Despite Breech's indifference, Rickenbacker wanted to buy the Wedell-Williams Transport Corporation, which flew between New Orleans and Houston. Harry P. Williams, who owned the line, was a major figure in air racing and a friend of Rickenbacker. After much negotiation, Williams sold his line to Eastern for $160,000, which turned out to be an enormous bargain. Rickenbacker also wanted to invade the market between New York City and Chicago to balance east-west and north-south flying patterns, but Breech vetoed the idea.17

Relations between Breech and Rickenbacker gradually deteriorated. Breech, for example, refused to reimburse Eddie for expenses incurred in leading a rescue mission to Newfoundland in 1937 when his favorite pilot, Dick Merrill, landed in a bog returning from a publicity flight to England.18 Early in 1938 Rickenbacker learned that Breech was planning to sell Eastern and remove it from GM's control. Eddie did not know the reasons lying behind this move, which are available in J. Mel Hickerson's little-known biography of Breech. Changes in the administration of General Motors after William S. Knudsen became president in May 1937 had made it likely that Breech would be transferred from New York City to Detroit. Breech did not want to move because he liked the airline industry and had bought a fancy home in Scarsdale that he did not want to leave. He therefore decided to buy Eastern with the aid of rental car magnate John Hertz, a partner in Lehman Brothers. Besides being a close friend of Breech, Hertz was already in the airline business, having acquired control of TWA from General Motors.

Alfred Sloan, GM's board chairman and chief executive, learned what was going on. Sloan did not want to lose Breech and made an apparently innocent offer to loan him the money he needed to buy Eastern out of his own pocket. Breech was flattered, but Sloan knew that GM's board of directors did not want to lose Breech either and would object to his offer. When the board did what Sloan expected, he told Breech he would make him the loan anyway but expressed a strong desire for him to stay with GM and intimated he would soon become a vice president in the giant firm. Breech did not want to embarrass Sloan, yielded to his wishes, and agreed to move to Detroit. But he still hoped he might someday buy Eastern and return to New York. To keep that possibility alive he conceived a plan for GM to sell EAL solely to Hertz, from whom he might be able to buy the airline in the future. At the time, TWA was losing money and would benefit from combining its east-west operations with EAL's new profitable north-south system. Hertz gladly accepted Breech's invitation, but the deal required GM's approval.19

Rickenbacker knew nothing about these machinations. He was astounded that Breech planned to have GM sell Eastern to Hertz for $3,250,000 - $1,000,000 in cash and $2,250,000 in promissory notes. Rickenbacker wanted passionately to control the airline and knew it could not have been worth more than $3,000,000 except for the fine work he had done as general manager. After consulting with Henry M. Hogan, GM's general counsel, Eddie decided to go over Breech's head and ask Sloan for a chance to raise enough money for a counter-offer. He had no way of knowing—but Hogan probably knew—that he was playing directly into the hands of Sloan, who was still afraid of losing Breech. Rickenbacker asked Sloan for a chance by buy Eastern for $3,500,000 in cash, a much better deal than the one GM had on the table with Hertz.

Sloan had to be pleased to have another suitor in the wings. When I interviewed Laurance Rockefeller in 1994 he told me that "Mr. Sloan was very fond of Eddie." Without letting Rickenbacker know what was going on, Sloan gave him thirty days to come up with the money. Working furiously against the deadline, Rickenbacker contacted a friend, William Barclay Harding, a partner of Smith, Barney and Company. Wanting to help Rickenbacker, Harding arranged to have him meet John Schiff, Hugh Knowlton, and Frederick Warburg, the three chief members of the Kuhn, Loeb banking empire. Kuhn, Loeb agreed to underwrite the deal if Eddie could organize a group of backers who would subscribe enough money to initiate it, after which a public stock offering would provide the rest. Letters at the Rockefeller Archive Center show that Laurance Rockefeller, who was beginning his career as a venture capitalist, played an important role in what followed. "We are making considerable progress in the Eastern Air Lines matter and an unusual amount of interest has developed," Harding wrote Rockefeller at an early stage in the negotiations. "It is our desire to restrict the sale to a small group of purchasers who are agreeable to each other." A few days later Harding told Rockefeller the plan was "proceeding according to schedule." By mid-April Harding had organized a group of millionaires including Paul M. Davis (Nashville), George Howell (Tampa) Wiley Moore (Atlanta), Jack Peabody (Chicago), Walter Pyon (Houston), J. Ford Johnson (another partner in Smith, Barney), Knowlton, and Rockefeller, all from New York City, and Harold S. Vanderbilt, who had dual residence in New York City and Newport, RI.20

Time magazine called the struggle a battle between two Aces, saying that "Hertz has bagged enough business in his 58 years to be an ace at U. S. finance." Time said that the duel was "small stuff for Ace Hertz but big for Ace Rickenbacker." The climax came at a stormy meeting at the General Motors Building where Rickenbacker and his lawyers battled attorneys representing Hertz. Breech knew he would lose any future chance of buying Eastern if Rickenbacker won and sided openly with Hertz. In turn Rickenbacker called Knudsen to remind him that he and his backers were offering GM more money than Hertz. Knudsen, who must have known Sloan's wishes, told Rickenbacker he would take care of things. Exactly what happened next is not known but is easy to guess. Breech backed down, Hertz folded his hand, and GM accepted Rickenbacker's proposal.21

Much financial and legal maneuvering had to be done to complete the deal. Because Eastern was not a separate corporation GM had to constitute it as one and register its stock with the Securities and Exchange
Commission. If the SEC approved, Smith, Barney and Kuhn, Loeb would "go through the motions of buying the stock," as reported in Business Week, which stated that Rickenbacker's victory would make things easier for the government because "Washington, either for anti-trust or airmail reasons, might not have looked kindly on a working agreement" between EAL and TWA.\textsuperscript{22}

Rickenbacker technically had to have the cash in hand by 6:00 p.m. on Sunday, April 22, when the option granted by Sloan would expire. He still did not know that Sloan had been on his side all along. When Saturday evening came and Eddie did not have the money he called Sloan at his apartment in New York City as he was getting ready to go to bed, asking to "come over for a few minutes." Sloan was wearing pajamas when Rickenbacker arrived. He told Eddie not to worry. The next morning, after Rickenbacker had had a sleepless night, Warburg called to ask when and where he wanted the money. Rickenbacker specified a meeting at 10:00 a.m. Monday at one of Eastern's hangars at Newark. Warburg came at agreed. Later that day Rickenbacker handed Sloan a certified check for $3,500,000. "Congratulations, Eddie, and God bless you," Sloan said. "I wish you every success in the world."\textsuperscript{23}

Kuhn, Loeb intended to sell 416,000 shares of stock in the new Eastern Air Lines Corporation in a public offering at $10 a share, which would have yielded a tidy profit. Adolf Hitler complicated things by taking marching into Austria on the day the sale was announced and only half the shares were sold. "I had to take to the road myself to help sell the stock," Rickenbacker recalled, "But eventually we raised the money and I had the airline." He celebrated by writing down twelve resolutions to follow in administering Eastern, ending with the words, A winner never quits and a quitter never wins.\textsuperscript{24}

Rickenbacker admonished Eastern's employees that "we are no longer under the protective wing of General Motors ... we are absolutely on our own out there on a limb where all may take a shot at us." By making Eastern seem vulnerable he greatly played down its financial strength. A carrier backed by the millionaires on Eastern's board of directors was well enough heeded to weather any financial storm. Its leading investor was Laurance Rockefeller, whose father, John D. Rockefeller, Jr., had given each of his sons-Laurance, Nelson, Winthrop, David, and John D. Rockefeller III—a $49,000,000 trust fund. Laurance, an avid aviation enthusiast, showed up frequently at Newark, where he liked to talk with EAL's pilots and workers, many of whom he knew by name. His attitude toward Rickenbacker, as he told me in one of our interviews in 1994, was one of unmitigated hero-worship. Few of the directors knew anything about aviation and Rickenbacker could run the airline any way he wanted as long as it made money.\textsuperscript{25}

Eastern towered over an industry wracked by deficits and suffering from crashes caused partly by FDR's unwillingness to spend money on safety and improving radio navigation. Every time a crash took place large numbers of passengers would abandon flying to take trains or buses. The advent of the Douglas DC-3, which could make money without carrying mail, also threw the industry into turmoil because the only power the federal government had over air routes lay in the Post Office Department's ability to award airmail contracts. As a result any interloper capable of buying a few DC-3s could conduct scheduled passenger operations wherever it chose and airlines that had struggled to survive on mail subsidies faced chaos. Throwing themselves at the government's mercy, they clamored for laws closing the nation's airways to "unfair competition."\textsuperscript{26}

Congress responded with a vengeance by passing the Civil Aeronautics Act of June 1938. A single federal agency, the Civil Aeronautics Authority (CAA), received unprecedented power to supervise airlines and their economic development. No airline could carry airmail or passengers without securing a Certificate of Public Convenience and Necessity (CPCN). This provision effectively closed the door to interlopers and existing airlines were grandfathered in possession of the routes they flew. After service began on a route, however, it could not be abandoned without official permission. No mergers were possible without government consent. Airline records were open to federal inspection. Because route awards were non-exclusive, the CAA could create competition whenever it chose. All sorts of practices, including rebates, were outlawed. The airline industry had become a federally-controlled cartel.\textsuperscript{27}

Rickenbacker scored a triumph in 1938 just before the Civil Aeronautics Act went into effect. By adroit lobbying in Congress he secured an act authorizing the Post Office Department to open bidding on service between Houston and Brownsville. The winner would be in a strong position to gain access to Mexico City if the United States ever chose to end the privileged position of Pan American Airways. Two carriers, Braniff and Eastern, fought savagely for the route. Amid the struggle Rickenbacker indirectly told a powerful Texan, Jesse Jones, head of the Reconstruction Finance Corporation and a friend of Thomas and Paul Braniff, that Eastern would go as low as one cent per pound-mile to get the route. Knowing what he had said would leak out, Eddie was crestfallen, realizing that Braniff would bid less than one cent, but one of his subordinates cunningly suggested that "less than a cent is zero." When the bids were opened, Braniff, first in alphabetical order, offered to carry mail for $0.001907378 per pound mile. Eastern then bid "zero-zero-zero cents." Tom Braniff cried that the bid was illegal and turned to FDR, who was well disposed toward him, for help. But Roosevelt was taking a cruise and Farley's lawyers said that Eastern's bid was legal. After hearing that Braniff would make a speech to Houston's Chamber of Commerce saying that a victory by Eastern would destroy his airline, "a Texas operation," Rickenbacker went to Houston, stormed into the meeting, pointed out that Braniff Airways was headquartered in Oklahoma City, and made a strong case for the benefits offered by Eastern's
stronger markets. Impressed by his arguments, Houston businessmen endorsed Eastern and the Post Office accepted its bid.38 The outcome showed Rickenbacker's wisdom in buying the Wedell-Williams route from New Orleans to Houston in 1936. Without it Eastern would not have been in the running for a route to Brownsville.

Winning the battle gave Eastern access to San Antonio and Corpus Christi and a connection at the Rio Grande with Pan American’s route to Mexico City. It also raised Eastern from fourth to third place among the "Big Four"—American, Eastern, TWA, and United—in total route mileage. Inauguration of through service from New York to Mexico City via Eastern and Pan American took place on April 5-6, 1939. One of Eastern’s DC-3s, with Rickenbacker aboard, made a ceremonial flight over the route. After stopping to refuel and take on distinguished guests at Washington DC, Atlanta, New Orleans, Houston, Corpus Christi, and Brownsville, the plane landed at 5:30 p.m. on April 6 at Mexico City’s Balbuena Airport, where a crowd of about 5,000 people, including American ambassador Josephus Daniels, greeted the plane. After what Eastern’s company magazine called a "breath-taking ride in a motorcade," Rickenbacker and his party attended an official reception at the Hotel Reforma and enjoyed a cocktail party at the home of Pan American’s divisional traffic, Ernest Balder. During the next two days Rickenbacker visited Toluca and Cuernavaca, viewed pre-Columbian pyramids, and laid a wreath at the foot of a monument to "Heroes of Mexican Independence." Amid the displays was a flower-bedecked replica of an airplane flown by a legendary Mexican aviator, Emilino Carranza. Rickenbacker was treated to three hours of "pageantry, music, singing, and dancing" at the Palacio De Las Bellas Artes, saw a performance of the "Aztèc Dance of the Sun," and was serenaded by the Mexico City Police Band. The next day, after a scenic drive through the outskirts of Mexico City, he was taken to floating gardens, sailed on "narrow gondola-like boats decked with flowers," and passed through canals to the El Mirador Restaurant, where he enjoyed Mexican cuisine amid entertainment that "held the American guests absolutely spellbound." Reluctantly leaving on Easter Day, he and his group returned home after a "perfect trip."39

The Civil Aeronautics Act began a honeymoon period between the airline industry and the "old CAA" as the Civil Aeronautics Authority was known until an even stronger body, the Civil Aeronautics Board, replaced it in 1940. Existing airlines won 22 new routes from the CAA and the industry became increasingly healthy. Eastern was a prime beneficiary, beginning with certification for a route between Atlanta and Tampa via Albany, Georgia, and Tallahassee which the CAA soon extended to Memphis via Montgomery, Birmingham, and Muscle Shoals, AL. On June 28, 1940 the CAA gave Eastern two more routes, one from Birmingham to Chicago via Nashville, Louisville, and Indianapolis, the other from St. Louis to Miami via Evansville, Nashville, and Atlanta. Both arteries, especially the one beginning at Chicago, offered lucrative vacation revenue.30 Including its route from New York City to Miami and artery to Brownsville, Eastern had sole possession of four routes funneling into Pan American's vast system leading to Central and South America. At a time when "Flying Down to Rio" was a popular pastime among people who could afford it, Eastern had a virtual license to print money. Pages of its company magazine, The Great Silver Fleet News, abound with pictures of celebrities, including Eleanor Roosevelt, boarding Eastern's DC-3s.31

Rickenbacker constantly strived to make Eastern an elite airline, bound in a mutually profitable alliance with his prestigious former adversary, Juan Trippe. Imitating Pan American was among the reasons Rickenbacker abandoned the use of "hostesses," as female cabin attendants were then called, and hired male stewards, dressed in snappy red, white, and blue uniforms and affecting the nautical image that Trippe maintained. Rickenbacker, a male chauvinist, believed that male cabin attendants commanded greater respect than women. Above all, they did not leave the airline to get married after working for the company a short time, thereby wasting time Eastern had invested in training them.32

"Southern" would have been as appropriate a name for Rickenbacker's airline as "Eastern," because about 90% of its operations took place below the Mason-Dixon Line and the Ohio River. In 1939 the company adopted an official flag with crossed American and Confederate flags in the center and the flags of all the states it served running across the top and bottom of the banner. A photo in the Great Silver Fleet News showed Eddie presenting Eastern's flag to a chapter of the United Daughters of the Confederacy. Eastern was a lily-white enterprise that conformed rigidly to southern folkways.33

In July 1940 Eastern occupied a new executive headquarters in Rockefeller Center, an enormous real estate project built by John D. Rockefeller, Jr. in the 1930s in midtown Manhattan. Thwarting an attempt by Juan Trippe to establish Pan American's head offices in the Center, Rickenbacker, aided by Laurance Rockefeller, persuaded Lawrence Kirkland, head of leasing arrangements, to allot the topmost ten stories of 10 Rockefeller Plaza to EAL and name the structure the Eastern Air Lines Building. On October 15, 1940 Rickenbacker dedicated the building as governors of the 17 states served by Eastern simultaneously pressed telegraph keys lighting up an electrically-animated map of its route system. After the signals came over the wires New York's feisty mayor, Fiorello LaGuardia, sent back a message, "O.K. Thanks."34

In 1940 Eastern moved most of its operations at Newark International Airport to a massive new terminal LaGuardia had spearheaded on the north shore of Queens. On the evening of April 1 LaGuardia smashed a bottle of champagne against the passenger door of a Douglas DST "Silversleeper," a version of the DC-3 with bunks for overnight travel, and handed a steward a gift-wrapped present for Raul Castellanos, his counterpart in Mexico City,
along with a bouquet of red roses for Senora Castellanos. As floodlights swept the darkening sky, the DST, christened the "Mexico Flyer," soared off the runway at what was now officially known as LaGuardia Field amid floodlights sweeping the darkening sky, headed for Washington, Atlanta, New Orleans, Houston, and Brownsville.35

Eastern's profits—$884,000 in 1939 and nearly $1,575,000 in 1940—reflected its growth. Only American, with a much larger system, made more money. Because of Rickenbacker's frugality, however, Eastern earned nearly twice as much profit per seat-mile as American. By the end of 1940 Eastern's route system spanned 5,782 miles, second largest in the United States. It carried 346,593 passengers, up from 162,246 only two years before. It had a superbly well-maintained fleet of 34 DC-3s and four DSTs.36

Rickenbacker stood at the summit of his career. An article in Life characterized him as "that rarity among mortals—the romantic and romanticized daredevil who has successfully managed the evolution into the solid man of affairs." Fortune called him "one of the smartest commercial-transport operators in the country, furnishing numerous instances of great adroitness and maneuverability, which he combines with an inspired eye for cost-cutting."37

On the evening of February 26, 1941 Rickenbacker boarded a DST at LaGuardia in threatening weather. On the following day he would make a speech at Birmingham he had done his best to avoid because he was busy preparing a proposal to his directors in Miami on February 28 to purchase $5,000,000 worth of new equipment. Birmingham, deeply resentful of Atlanta, Eastern's main southeastern hub, had pressed Rickenbacker for months to deliver the speech, in which he would outline plans for adding connections between that city and other population centers. On the afternoon of the 26th Alabama's Governor, Frank W. Dixon, called Rickenbacker from Montgomery and charged that the reason he was trying to get out of the speaking engagement was because he didn't care about Birmingham. Like Rickenbacker, Dixon had flown in World War I. He had lost a leg in combat and became a Chevalier in the Legion of Honor. Rickenbacker could not resist such a gibe by a worthy peer. And so he went.38

Late that night, flying into Atlanta's airport in cold rain and sleet and extremely poor visibility, the DST crashed into a pine forest near Morrow, Georgia, with a roar that could be heard for miles. The pilot cut the electricity, preventing a fire that would have incinerated everyone aboard, but the plane was under full power when it hit the ground with such force that it cartwheeled and turned over on its back with the nose and cockpit buried under the inverted fuselage. The pilot and co-pilot were immediately crushed to death. Some travelers near the end of the plane tumbled out of their bunks, falling on the ceiling below, and made their way to safety through windows or holes in the side of the plane. One of them wandered through the night in his underwear, calling for help. Eight people survived but nine did not. Of all the survivors, Rickenbacker was the most badly hurt. The entire left side of his body was mangled. After four months and two days in Piedmont Hospital, he was released, walking with a cane and with one leg shorter than the other.39 Nevertheless, he volunteered for special missions in World War II. On one of them a Boeing B-17 taking him across the Pacific to deliver a secret message to General Douglas MacArthur got lost trying to find Canton Island and had to be ditched in the ocean. Rickenbacker spent 21 days with seven companions, one of whom died at sea, floating through shark-infested waters on three tiny rubber rafts with minimal food and water. When a Navy plane rescued him he had lost 54 pounds and was badly dehydrated.40 Ultimately he returned to Eastern Air Lines and lived for three more decades, but he never really recovered from the ordeals he had experienced. For him the period between 1935 and 1941 was truly that of a hero in his prime.

Had Rickenbacker failed to return from his Pacific mission he would likely have become a male counterpart of Amelia Earhart. Untold numbers of books may have been written about his life and disappearance, speculating whether or not he had survived, trying to identify supposed places where he had found refuge, or arguing that he and his comrades had been captured by the Japanese. He would have been invested with an aura of mystery attracting a wide readership. Instead, although his phenomenal vitality remained as strong as ever, his body had been ravaged by what he had endured. Years of hero-worship had subtly affected his self-image; his interactions with powerful world leaders on special missions for Arnold and Stimson had inflated an already powerful ego, intensifying his tendency to be overbearing and abrasive. As Robert Sherling has aptly said, "Eastern entered the postwar era . . . with a time bomb buried in the inflexible personality of the man who ruled the Great Silver Fleet."41 Rickenbacker's temper was too quick, and his judgment was too hasty. He made costly decisions based on emotion and sentiment rather than sound business judgment. Convinced that God had spared his life for a special purpose, he found a sense of mission in becoming a passionate Cold War crusader against Communism, a supporter of Senator Joseph McCarthy, and an advocate of radical right-wing causes. Meanwhile, he made a series of unfortunate decisions that led to the gradual decline Eastern Air Lines and compounded his problems by alienating the Civil Aeronautics Board, which punished him by withholding route awards that would have enabled Eastern to utilize its fleet more effectively in the transition to the jet age. Believing that the main objective of an airline was to "put asses in seats," his lack of concern for passenger amenities in an age of service competition gave Eastern the dubious distinction of being the only airline whose passengers banded together to form an organization to vent their hostility against it, WHEAL, an acronym for "We Hate Eastern Air Lines."

Ultimately, after the collapse of an effort to merge Eastern and American Airlines, Eastern's directors forced Rickenbacker into an unwilling retirement in 1965 and he spent the remaining decade of his life a badly
wounded man, embittered by the collapse of his ambitions. His death from pneumonia in Switzerland in 1973 ended what had once been a remarkably successful career. Eastern's bankruptcy in 1991 cast a retrospective shadow on his leadership.

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Too much of Rickenbacker's image has been shaped by his declining years as an executive who fought stubbornly to remain in authority at Eastern, whose attention was diverted from business matters by his Cold War crusades, and who became increasingly out of step with his times. The result was unfortunate because Rickenbacker should be remembered more for his achievements than for his shortcomings and merits an honored place in the history of American commercial aviation. He was a tragic hero. Had he lived in ancient Greece a Homer or a Sophocles might have seen in him a fitting subject for a work of epic poetry like the Iliad or a drama like Oedipus Rex. There is about him the same quality of nobility that one finds in a Hamlet or a King Lear; he was an epic figure who was larger than life. Whatever mistakes he made in his business career should be seen in the light of his seriously debilitating condition after the Atlanta crash in 1941 and the raft ordeal in 1942. A better estimate of his abilities would be based on the years between 1934 and 1941 when he led Eastern to greatness. It is time to accord him the respect he deserves as one of the foremost architects of the airline industry in which some historians have called "Aviation's Golden Age." Hopefully this lecture will contribute toward a greater appreciation of his stature. Lowell Thomas, one of the foremost news commentators of the era in which Rickenbacker lived, called him "one of the towering figures of the twentieth century." Thomas, an inveterate globetrotter who had met many world leaders, was a well seasoned judge of character. Repeatedly, in the course of my research, distinguished business leaders, former airline executives, and outstanding federal regulators characterized Rickenbacker as "a great man and a great American." We should pay him the honor and attention he abundantly deserves.

LECTURE NOTES


5. On the brief history of the Sheridan, see Kimes and Clark, Standard Catalog, 1346.

6. Durant was in the final stages of his second period of administering the enterprise he had fathered. The Du Pont Company, flush with wartime profits and seeking pacifism markets, had acquired a controlling interest in General Motors. After trying briefly to direct its operations following the departure of Durant in 1921, Pierre S. Du Pont, realizing that his expertise lay in the chemical industry, put a brilliant young executive, Alfred


14 On Keys and the rise and fall of his aviation empire, see Edward M. Young, "Clamont M. Keys," in Leary, ed., The Airline Industry, 258-266.


16 For a perceptive account of these and related developments, see Douglas B. Craig, After Wilson: The Struggle for the Democratic Party, 1920-1934 (Chapel Hill: University of North Carolina Press, 1992), passim. A close reading of this book is indispensable to understanding Rickenbacker's opposition to FDR.

17 Autobiography, 216; "Wodey-Williams' Line to Houston Purchased by EAL," The Great Silver Fleet News, I, 4 (December 1936), 5; Setting, From the Captains to the Colonel, 132-133.


19 Hickerson, Ernie Breech, 91-96.

20 Interview of Laurence S. Rockefeller by author, letter from William Barclay Harding to Laurence S. Rockefeller, March 4, 9, and April 26, 1938, Rockefeller Archive Center, Sleepy Hollow, NY, Record Group 2.


22 Business Week, March 12, 1938, 17.


28 Autobiography, 218-222; Serling, From the Captain to the Colonel, 148-150; "A Triumph for Eastern Air Lines" and "Flying Down to Rio," OSFN, III, 12 (August 1938), 1, and IV, 1 (September 1938), 9-12.


31 For examples of celebrities flying EAL, see photographs and captions in OSFN, III, 9-10 (May-June 1938), 14, and III, 12 (August 1938), inside cover. For a picture of Rickenbacker and Eleanor Roosevelt christening one of Eastern's airliners, see Autobiography, facing p. 240.


33 "Speaking of Flags" "EAL Flag Presented United Daughters of the Confederacy," OSFN, IV, 4 (May 1939), 4 and 8 (December 1939-January 1940), 5.

34 Serling, From the Captain to the Colonel, 156; "EAL's New Home... Rockefeller Center" and "A Building Is Nursed," OSFN, V, 3 (Vacation Edition, 1940), 1, and VI, 4 (Post-Autumn Edition, 1940), 1-3.


38 Autobiography, 235-236. An account of Dixon's life, including his service in World War I, is in the Gubernatorial Files at the Alabama Department of History and Archives, Montgomery, AL.


41 Serling, From the Captain to the Colonel, 204.


45 Interviews by author of Laurnae Rockefeller, Floyd H. Hall, who took the reins at Eastern in 1963, and L. Welch Pogue, who crossed swords with Rickenbacker as Chairman of the Civil Aeronautics Board, all took this position.

Message from Erik D. Carlson, Ph.D.
Head of UTD Special Collections

As Head of the History of Aviation Collection, I want to express my gratitude to the Jalonick family for their support of this important lecture series. Appreciation also goes to Dr. Larry Sall, Director of UTD Libraries, for his pioneering work in the History of Aviation Collection and continued support of its programs.

The 2002 lecture was aided tremendously by the work and dedication of the Special Collections staff - Carole Thomas, Toni Huckaby and Rick Biddick. Thanks to Tom Koch for public relations and printing coordination for this event.

Support from friends of the History of Aviation Collection is also appreciated. We hope the next Jalonick lecture is as successful as this one.
W. David Lewis, Ph.D.

W. David Lewis received his Ph.D. from Cornell University in 1961. He has been a member of the Auburn University faculty since 1971. He is the author of six books, including a 1994 work on Birmingham’s Sloss Furnaces, which was nominated for a Pulitzer Prize, and the editor of three other books. Lewis has also written or co-written more than 60 articles, book chapters and encyclopedia entries. From 1993-94 he served as the Charles A. Lindbergh Professor of Aerospace History at the National Air and Space Museum.

The aviation and technology history professor was awarded the prestigious Leonardo da Vinci Medal by the Society for the History of Technology in 1993. In 1995 he persuaded the Rickenbacker family to donate 210 letters to Auburn University that were written over a period of 36 years by fighter ace and Harvard-trained economist Eddie Rickenbacker. Lewis is preparing a biography of Rickenbacker, and was a consultant for the firm that designed the 1995 Rickenbacker stamp for the U.S. Postal Service. In 1999 he was named Auburn's Distinguished Graduate Faculty Lecturer.