

GOODBYE PAN AM

by J. Garland Pollard IV

I get bummed when something *neato* disappears. And bummed was the feeling I got when Pan American World Airways went bankrupt and shut down Dec. 4, 1991, 64 years after its first flight from Key West to Havana. For Pan Am, desperate and pitiful as it was in its last few years, was always *neato*. I wondered, though, if I was the only one so bothered. That was until I saw the CNN report of the demise. A baggage handler, who was hardly old enough to have had five years seniority with the company, said to the reporter matter-of-factly: "I'm not sad about my Christmas, I'm sad about an American institution."

So what is it that made Pan Am so special? In 1973, I took my first plane trip to England. Excited as I was to fly the first time, when I got onto the plane I was disappointed. We flew out of Kennedy on BOAC, now British Airways. I can still remember that we were on an older, smaller one-aisle 707. I would rather have been on the bigger and newer Pan American 747s, one of many waiting at gates. I was American, and I wanted to be on the big American plane, not the old British one.

It was only later that I began to learn exactly what the company had done for aviation in this country and the world. And that was why Pan Am was great. Pan Am, with its famous Clippers, pioneered the first scheduled service across the Pacific, the first economy class, the first in-flight movies. Most importantly, it was founder Juan Trippe who helped make Boeing into the Japanese trade deficit buster we rely upon so much. Trippe pushed the 747 into service, and his orders ensured the success of the 707, the first commercially successful jet plane. It was Pan Am that democratized travel and allowed ordinary people to go extraordinary places cheaply.

Not only was Pan Am a pioneer, it was glamorous. That's more than you can say about most American companies these days. It was not a bland company. No wonder movie director Stanley Kubrick picked Pan Am when he had to choose the airline that would send the first passengers to space in the movie "2001." Even the Beatles invaded America on Pan Am. Recently when Nadia came over from Romania, she gave her first press conference to Americans behind big, atmospheric-blue Pan Am letters at the airline's JFK "Worldport." Nadia explained in guttural English how she left Romania for the freedom of the U.S. Ahhh, the glories of America. The glory of Pan Am.

The glamour began in 1927. Founder Juan Trippe was the consummate East

Coast Establishment Yalie. While he had a Spanish name, only a small drop of his blood was actually Hispanic. He went to school with Whitneys and such, and in college he had a singular, grandiose dream. To fulfill it he took some flying lessons and began to put some deals together after graduation, borrowing money from friends. Route by route, and with the help of men like Charles Lindbergh, he built Pan Am into an institution.

Trippe got mail contracts, made exclusive deals with tin-pot dictators in South America, cajoled, pushed, whatever. By the time of Trippe's retirement in 1968, Pan Am was not just the American airline that spanned the globe. It was the airline FDR had used to secretly build bases in

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South America. It was the airline that was not only a company but almost a branch of the government in itself—the "chosen instrument" of foreign policy. It was a company with a mission to do the work of America and carry American values all over the globe. When Americans were stuck in Saigon days before the collapse in April of 1975, Pan Am people voluntarily flew a rescue plane in. No wonder it was so often a target for terrorists. Like Coca-Cola, it was a symbol of an Imperial America, all-powerful and all-benevolent.

No wonder the employees were devastated by bankruptcy. Early this fall, the Wall Street Journal ran an article about what was happening. Not only were employees worried about their paychecks, they were grieving for something lost. Very few American companies are so prestigious that a mere job there gives one a position in the world, a feeling of being part of something larger. I keep recalling pilot Everard Bierer who gave \$400,000 of his own money to pay bills at Pan Am. Or the Miami employees who literally passed the hat for the airline raising \$55,000. Others went personally to Lockerbie on their own time to console villagers after the crash of Pan Am 103.

I called Richmonder Wallace Stettinius

of Cadmus Communications to ask him if he had any thoughts on the demise. Stettinius is the nephew of Trippe—he recalls the founder from childhood visits to the Trippe's place East Hampton. With a note of reality, he put the decline into perspective: Companies that do not renew themselves along the way die. It is not enough to try to save something that is already over the hill. His brother Joe echoed the same sentiment—Pan Am did not know how to adapt.

The Stettinius' father (Edward R. Stettinius who would become secretary of state) met Trippe while he was at U.Va. Trippe and Stettinius struck up a friendship, and Trippe later married his friend's sister Betty. His childhood memories all relate to "Uncle Juan's" singular focus. Deeply devoted and principled, Trippe was not universally loved. Says Stettinius, "Like so many focused men he knew what he wanted and was going after it."

There is another issue that might be sorted out; whether the company was doomed from the start. It, like most airlines, was born of government mail contracts and was at first highly subsidized. But unlike the other American airlines, it also was protected from competition by treaties. The organization, weaned on subsidies, was perhaps not equipped to adjust when circumstances changed.

Still, the beast was amazing. The company made very little money in the '70s and lost it almost every year in the '80s. New management came in in 1988 and made great progress, only to have Lockerbie and the Gulf War send shockwaves through bookings. It survived so long by selling off asset after asset—Intercontinental Hotels, Falcon Jet, the Pan Am building in New York, the Pacific Routes, the London Routes, the Berlin service, the Frankfurt hub and African and Asian routes and the Pan Am Shuttle. That it lasted this long is what is remarkable.

By this fall, only the profitable operations in Miami were left. Delta had promised to back reorganization of the airline until it was reorganized. But the losses were too much for practical Delta, which pulled the plug. A week later Pan Am presented Delta with a \$2.5 million lawsuit. Pan Am was gone.

Garland Pollard has been collecting Pan Am World Airways memorabilia and memories for years.

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