The Siren Song of the East, Part 2

Northeast was desperate to merge. But why did Northwest say yes?
—by Scott Norris

Much has been written about Northeast’s pioneering work in building reliable operations in the rugged New England north, establishing the essential land bridge air route through Canada and Greenland during World War II, and popularizing “air-shuttle” service between Boston and New York City. In many respects, NEA’s challenges paralleled those at NWA.

But instead of using its hard-earned experience and personal connections to collect route awards, Northeast’s intermodal ownership by the Boston & Maine Railroad antagonized Federal regulators, and even after the airline was spun off, it still would fail to win authority beyond New York until the mid-1950s. Eastern and American kept NEA from building a profit center on the Shuttle trunk route - essentially Northeast was a Regional carrier like Allegheny or Mohawk, but saddled with Major carrier status.

And when NEA was finally given routes to Florida in September 1956, what should have been a rebirth only became a more difficult puzzle.
Visiting the Museum

The NWAHC Museum is located inside the Crowne Plaza AIRE Hotel in Bloomington, MN, just south of MSP International Airport.

Current schedule: Thursday - Saturday, 11 am - 5 pm
Closed for major holidays.

Admission and parking are FREE. (Special events may incur a charge.)

Directions:

From the airport: Use METRO Blue Line light rail from either Terminal 1 or Terminal 2 southbound and exit at the American Boulevard station. The Crowne Plaza AIRE is immediately east, across the street from the station. Or, call for the free hotel shuttle from either terminal.

From the Mall of America: Take the METRO Blue Line light rail outbound; American Boulevard is the third stop.

In the Twin Cities Metro area: Head toward MSP International Airport. From Interstate 494, exit on 34th Ave. S. and go south one block to American Blvd. Turn left (east) on American and then immediately right into (and under) the hotel. The parking ramp is on the left - follow the signs for free hotel parking on the uppermost level (do not use spaces not reserved for the hotel) and cross into the hotel's second floor. You may need to buzz the door for entrance, as a COVID and safety protocol.

The museum is located on the third floor, above the pool area, and across from the Fitness Center.

Annual Membership

Membership is the main source of funding for the NWAHC; please join!

$30 level - receives REFLECTIONS digital edition early access via email

$35 level - receives REFLECTIONS print edition by U.S. Postal Service (U.S. mailing addresses only)
From Director Bruce Kitt

Highbrow: This fall, Bloomington Minnesota honored the Northwest Airlines History Center (NWAHC) with its Best of Bloomington Awards, History Museum for 2022. On behalf of all the volunteers, we’re pleased to be recognized by the community for our efforts.

Lowbrow: In November, the NWAHC filed its first Cease and Desist Order for copyright infringement. Our sharp-eyed editor caught someone using our name and museum logo on a knock-off t-shirt. Both events must mean the Northwest Airlines History Center has made the big times!

November and December hold two important events:
November for Northwest and December for the history of aviation.

This November marks the fifty-first anniversary of the Dan Cooper skyjacking of Flight 305. This nefarious event is still an unsolved case. Although ‘officially’ closed by the FBI, it will be reactivated if creditable evidence (ever) comes to light. In a morbid sense, the Cooper skyjacking has been the gift that keeps on giving for the museum – or had been until COVID hijacked everything.

When COVID occurred, the phone calls stopped. Without fail, November saw one or two calls to the museum, usually to ask for information. There was one individual, however, who called to discuss their latest theory regarding the event, which they did for three consecutive years. What I found most interesting is that that person was confined to their home due to mobility issues, yet “knew” the ‘who’ and ‘how’ of the event based on their on-line research. I kinda miss our conversations, they were unusual but interesting to hear. The phones have been quiet this year.

I did have a lengthy email conversation with another person, Robert Edwards, who also had an interesting theory of Cooper’s extortion. Robert’s ideas were painstakingly researched over a number of years and led to the publication of his book, ‘D.B. Cooper and Flight 305’. (Disclosure: I am cited as a source in his book). One other book, recommended by Bill Rataczak, is Richard Tosaw’s “D.B. Cooper, Dead or Alive?”. They’re the only two accounts I’ve read of the skyjacking.

And I also was recently interviewed by Feliks Banel of KIRO News Radio in Seattle for the anniversary - Feliks had found several photos of N467US in the Minnesota Historical Society archives, taken at some time after the hijacking in Bismarck, ND, and wanted some commentary. Of course, there was nothing significant about these photos - 467 was repaired and returned to service without fanfare, and served faithfully with NWA, Piedmont, and private owners through 1985.

If you’d like to listen to Feliks’ report, punch up https://mynorthwest.com/3726153/previous unpublished-photos-d-b-cooper-jet-discovered/ for the photos and audio stream.

The December event is the most important one for aviation: December 3, 1903 and the Wright brothers solved the challenge of controlled flight. While their first flight is important, their greatest contribution to flight was their invention of the wind tunnel. That one invention made their December 3rd flight inevitable, and has led mankind to the moon, Mars, and beyond our solar system. That’s what I call flight! CAVU

Buy wise to support the NWAHC!

• Treasure hunt! We offer surplus materials and new apparel and pins for sale on eBay under the handle “cyberglitz” - the assortment changes every week!

• Buying on amazon.com? We all learned how convenient is can be this year. Sign up for Amazon Smile and 1/2% of every purchase is contributed to our museum. Use the link at smile.amazon.com/ch/41-2020975 to specify the NWAHC.

• And our online store, with world-exclusive designs of a wide variety of merchandise, from shirts to mugs, travel gear to puzzles, and more, at shop.northwestairlineshistory.org

Interested in donating materials?

Please contact our collections manager, Bruce Kitt, at bruce.kitt@northwestairlineshistory.org with details of your items, photos if possible, and how we can reach you.

We are especially interested in items that help us tell stories or demonstrate concepts and procedures; records and correspondence; video, audio, and photos; training materials and reference items; and union communications.

Items from Hughes Airwest & its predecessors, and Southern are especially appreciated - few items found their way to Minnesota to survive corporate purges & transfers.
Balancing taxes and investments to advance charitable giving goals  —by Captain Mike Vetter

Despite economic uncertainty, nearly 70% of Americans plan to donate to a similar amount to charity in 2022 as last year. Most people give cash out of convenience, but investors may still have built-in gains from previous years. Typically, it’s better to donate profitable assets from a brokerage account to charity because you’ll avoid paying capital gains taxes, resulting in a bigger gift to the organization.

Generally two strategies work for the vast majority of people. One, Donor-advised funds leverage an upfront donation to an account for future gifts and two, Qualified Charitable Distributions (QCD) use direct transfers to charity from an individual retirement account.

Here’s how to figure out which one is right for you.

The ‘first source of giving’ if you are 70-1/2 or older:

Retirees 70-1/2 or older with funds in a pre-tax IRA should first consider so-called qualified charitable distribution, or QCDs. QCDs are a direct transfer of up to $100,000 per year from your IRA to an eligible charity (such as the Northwest Airlines History Center) and once you turn 72, QCDs can satisfy your required minimum distributions (RMD).

The purpose is getting money out of your pretax IRA without owing levies and sending the money directly to a charity. The move reduces adjustable gross income, rather than providing a charitable deduction for filers who itemize.

In next quarter’s edition of REFLECTIONS, we will discuss another popular strategy, Donor-advised funds, which act like a charitable checkbook.

Disclaimer: As always, please consult your tax advisor prior to making any financial decisions.

Anniversary “AIRPORT” movie screening benefits Angel Flight Central

Friend of the museum Chuck Huntley has long been an advocate for the Angel Flight charity, which matches Pilots volunteering their time and aircraft with patients and families needing specialized medical care far from home. Delayed by two years because of the pandemic, Chuck coordinated a fundraiser Sept. 15 featuring a special anniversary showing of the celebrated 1970 disaster film “AIRPORT” - with many shots from Minneapolis/St. Paul International Airport - at the Showplace Icon theater in St. Louis Park, MN.

Jacqueline Bisset addressed the crowd of 163 attendees with a pre-recorded greeting, and the Twin Cities’ own Nancy Nelson was on hand to tell of her time shooting the film and the movie’s debut gala. The NWAHC and the MSP Airport Foundation were also on hand.

Compass Readings

Chuck Huntley and the NWAHC’s Bill Marchessault in uniform, greeting patrons. Photos from Jessica Belcher and the Showplace Icon.
Recap of the 2022 MSP Airliner Show

Beautiful weather and timely media coverage on FOX 9 the day prior led to record paid attendance at our 2022 Get-Together!

Bracketed by regional Airline collectible shows in Atlanta and Chicago, it is always a challenge to draw attendees from outside the Upper Midwest - our emphasis at this event was to recruit unique vendors that you won’t see at the bigger gatherings, and that was a winning strategy based on seller feedback. Vendors said they were very satisfied with their sales - and the Museum’s surplus stock also sold very well.

NWAHC’s “GO BIG” plan proceeds; Access Philanthropy contracted to help us expand our Board of Directors

Following up from our September 2022 issue, the NWAHC has contracted with Access Philanthropy to conduct a search for candidates to grow our Board of Directors. AP is a Minneapolis-based nonprofit consulting group that assisted us during the pandemic in determining the museum and our mission should get bigger to remain relevant for new generations, rather than shrink or close.

From AP’s experience with other charities, museums, and arts organizations, as well as our conversations with aviation museums, we aim to roughly double the number of people on our Board from its current seven members. We are looking for broad community connections to education, media, finance, tourism and aviation, and other museums - experience at NWA is not required but an appreciation of history and air travel is. If you are interested or have recommendations, please contact Greg Lais at AP, at greg@accessphilanthropy.com.

We also presented the “Vision 2026” museum proposal scale model to day-long enthusiasm and collected helpful feedback.

Save the date for Saturday, October 14, 2023 for next year’s event!
What Could Have Been?

The Fairchild F-228: a Regional Jet that never was, and never could — by Scott Norris

Just as Fairchild Aerospace had licensed the Dutch Fokker F27 and "Americanized" it with non-metric fasteners and US-standard electrical and mechanical components, creating the US-built F-27 and FH-227, when Fokker's F28 jet project started taking flight in the mid-1960s they perceived a similar market opportunity.

While the original F28 was configured for 65 passengers flying medium-range routes of 200-350 miles, Fairchild saw the opportunity in North America starting at just 50 passengers and on short hops averaging just 100 miles into small airports with shorter runways. The wing design would include large-span, triple-slotted flaps for near-STOL performance.

The Rolls-Royce Spey powering the Dutch jet was overpowered for Fairchild's design direction - but R-R had a new high-bypass core in development they were calling the Trent (not the one that would later fly in the 1990s on widebody equipment) which they said would be a good match and could be available in 1970. Fokker sent components for two airframes to Maryland in mid-1967 for test assembly and engineering study.

West Coast was the first operator of the F-27, so they were Fairchild's logical first sales call in late 1967. WCA had already ordered the Douglas DC-9 for longer routes and was in the process of substituting small Piper "Miniliner" turboprops on former DC-3 segments. Why not introduce jet speed and capacity to spur traffic growth on short hops like Seattle - Wenatchee and Portland - Eugene? Nick Bez was amenable to the idea and signed a firm order in June 1968 for three copies, with options for five more.

The order remained on the books after the Air West merger, but Fairchild stumbled into headwinds: Rolls-Royce cancelled the Trent as they struggled with cost overruns on the RB.211 engine destined for Lockheed's TriStar. Fairchild's FH-1100 helicopter also had cost issues after not being selected by the US Army, and the company's moves to acquire Douglas Aircraft were unsuccessful.

Fokker's F28 jet ended up giving excellent short-field performance and the type sold well without needing to be adapted for the US market. At the same time, the first wave of used DC-9-10s started hitting the market in the late 1960s, offering extra range and capability at reasonable cost compared to a new F-228. Faced with these challenges, and receiving no orders outside West Coast / Air West, Fairchild shelved the F-228 in late 1968.

A RANGE PROBLEM?
The F-228 would have been over-optimized for short haul sectors and short runways, with a maximum usable range of just 500 miles. From West Coast's main bases, this would have put key route requests out of range, and even made multi-stop sectors like SLC-TWF-BOI-LWS-PUW-EGG dubious. Viability on most of the Air West merged system would have been likewise sketchy.
Our fictional F-228 calls on Yakima, Washington in this composite artwork by Scott Norris. Good idea while there to pay a visit to the McAllister Museum of Aviation to learn more about actual aircraft and space vehicles, followed by a visit to nearby Reno’s for on-ramp views while you dine - the perspective looks like this but the jet you’ll see will be an Alaska Horizon Embraer.

Horizon Air in the mid-1980s did actually fly the Fokker 28 jet out of Yakima and Pasco to California, validating the Dutch airframer’s engineering and demonstrating how Fairchild’s approach would not have allowed regional airlines to fly the “long and thin” pioneering routes and hub-bypass services that regional jets are best suited for.

Promises, promises: perhaps the trip cost was 25% less than a DC-9-10 but only because it was a smaller aircraft with fewer crew. For lower cost per seat-mile, you had to wait until the real RJ revolution of the 1990s (or use a turboprop.)
Feature Article

Slow-motion Plane Crash

Northeast again found itself a number-three player in the NY/Boston - Florida corridor behind Eastern and National, even with extensions to Philadelphia and Washington. For the rest of the 1950s NEA fumbled with accidents and fleet planning mis-steps, finally bringing in the Vickers Viscount - but even this popular turboprop could not budge their market position.

Jets were needed - and Howard Hughes (who owned TWA at the time) was ready to supply Convair 880s in exchange for control and an eventual merger. From 1960-1963 this arrangement worked, but when the CAB announced it would stop Northeast’s authorities to Florida, Hughes walked away and left the little airline deep in debt, without clear ownership or a strategic plan.

In June 1965, radio and TV station owner George Storer acquired the former Hughes stock and set out to reinvent the airline with a new fleet, identity, and development plan. In 1968, routes to the Bahamas, Bermuda, and Chicago were added as well as Montreal-Miami. In 1969, Miami/Ft. Lauderdale - Los Angeles was awarded.

These efforts, however, only amplified Northeast’s network weakness, failing to build a connecting hub anywhere, leaving them still a distant #3 in the East, and creating inefficient use of aircraft. Storer had no choice but to look for a merger partner - but could not combine with Local Service carriers due to CAB regulations (Allegheny would have been the obvious choice.)

Northeast Yellowbirds
Daily Non-Stops
Los Angeles

What did Northwest see?

After denying reports of talks in early October 1969, on November 11 Donald Nyrop and George Storer announced a merger agreement where NWA would issue Northeast one share of stock in exchange for five shares of NEA (worth about $47 million). Apparently discussions only took ten days. Press reports were light with few specifics, and detailed rationale was not forthcoming in the media or in annual reports. From what we can put together, cost reductions and sales volume growth was supposed to have come from:

• Consolidation of airport facilities. They already shared New York JFK Terminal 2 and could combine significantly at MIA, TPA, and DCA.
• Consolidation of maintenance in Northwest’s facilities, as the fleet had high commonality (always a Nyrop priority)
• Consolidation of sales and marketing staff and contracts
• Elimination of most of Northeast’s executive staff

• Better aircraft utilization from ‘triangle-routing’ across the Midwest, Florida, and the Northeast US, and better demand matching with widebody and narrowbody types - which would also balance out seasonal demand variances in each sector.
• Florida and New England feed to JFK would support Pacific Northwest and Asia services. NWA had JFK-Hawaii authority and might have started nonstops.
• Better chance at winning trans-Atlantic routes and Midwest-Northeast authorities with East Coast feed.
• Last, Miami-LAX feed to Hawaii / Tokyo services.

On second thought...

The half-year strike in 1970 against Northwest by BRAC (Brotherhood of Railway and Aircraft Clerks, about 1/4 of the staff) dominated the carrier’s attention not otherwise focused on growing price inflation and introduction of new Boeing 747s. Media coverage of merger work was thin.

When the CAB approved the merger with the sole condition that the route to Los Angeles would not be included, this was enough of a “fig leaf” for NWA to walk away from the deal on March 19, 1971, without penalty. As any trans-Pacific feed could have been easily routed through New York, this is all the evidence we need to conclude Northwest’s analysts could not find enough cost savings and revenue enhancements to justify the merger.

northwestairlineshistory.org REFLECTIONS, December 2022
Fleet analysis

Northeast’s equipment overhaul gave it a modern and capable fleet for the 1970s. Their turboprops were being transferred to commuter carriers as short local routes were divested. TriStars were on order to take over the Miami-LAX runs from the short 727s and to supplement East Coast runs. 727-200s did not have transcontinental range but were ideal for Boston/New York to Florida. The TriStars would be cancelled prior to the Delta merger.

The 727s in common between NEA and NWA would have made integration straightforward. Northwest would have learned about the utility and cost-effectiveness of DC-9s a generation earlier, and they would have found their way across the domestic network, replacing early 727-100s.

The incoming DC-10s of course saw heavy Florida service with NWA and it is easy to see how they could have added extra segments up to NYC and Boston.

Financial analysis

As discussed earlier, Northeast had been a perpetually weak carrier. Storer Communications had issued long-term bonds to finance ongoing operations and lease payments on the new jets (only 4 DC-9s and 2 727-100s were owned) to effect a turnaround in fortunes, but profits never materialized and the carrier was carrying over $66 million in accumulated debt with no prospect of repaying it.

Minority shareholders in Northeast rose immediately in protest and sought an injunction in Federal court to pressure NWA for a better offer. As that group held only 14% of NEA’s shares, Northwest had no reason to sweeten the deal, and the courts did not intervene.

Institutional investors were not keen on the merger; shares of Storer Communications rose only temporarily after the announcement but as debt concerns grew and the industry-wide BRAC strike dragged on in 1970 even profitable Northwest saw no premium. While the all-stock transaction would not have hurt NWA’s cash position, the need to issue new stock would have diluted share values if the promised efficiencies did not materialize. The rise in stock prices of both businesses after the cancellation could be seen as a rebuke of the deal.

Nyrop and the NWA board wasted no time to take another spin at the merger wheel. In September 1971, Northwest would announce a deal to merge with Miami-based National Airlines - which we will cover in the third and final installment in this series later in 2023.
The network planning textbooks would have called the union of these two systems an “end-to-end” merger, as there was essentially no overlap and the networks basically touched only at NWA’s extreme eastern terminals. It’s clear to see here that even the Miami-Los Angeles run would not be a major connecting traffic resource, as NWA had only the one westbound route to Honolulu and Tokyo. and wouldn’t pick up more Pacific service for 10 years.

The two routes into Chicago did overlap on their final legs (ORD - Detroit - Manchester and ORD - Cleveland - Burlington), but the ORD-DTW was only one daily frequency and the ORD-CLE was not even a weekday service, so those would not have warranted anti-trust divestiture even in that era.

At this time, NWA had been granted authority to begin Twin Cities-Boston nonstops but the BRAC strike delayed its startup until mid-1971. Meanwhile, Northeast had requested BOS-MSP-SEA/PDX and that was never going to happen; Western Airlines got the MSP-Pacific Northwest competitive routes - and would also pick up Northeast’s former LAX-Miami authority in short order...
NWAHC’s 2022 Online Shop Holiday Gift Guide

Our online store at shop.northwestairlineshistory.org opened in May and we’ve steadily increased the range of products available each month - now numbering over 130 unique logo items! Our exclusive designs can be found nowhere else - and highlight our heritage from 1926 to the 2000s. We’ve made a sustained effort to highlight all the branches of our family tree - Bonanza and Hughes Airwest; Southern, North Central, and Republic; and NWA in all its eras.

Our print-on-demand items typically take 1-2 weeks from the time of your order to delivery at your mailbox - so the time is right to explore our virtual shelves to find gifts for all your aviation-enthusiast friends and family (and yourself as well.) Here are some of our recent favorites!

Remember, domestic ground shipping is free when your order is just $50 or more - and you can even gift our video downloads and memberships, too!

**Puzzles** have been very popular through the pandemic and are a great family-fun and screen-free activity. We have four designs and they come in three sizes (120 pcs, 252 pcs, and 500 pcs.) Prices run $24.99 to $35.99.

**Enjoy a hot beverage** in one of our nine different ceramic mug designs for just $12.99. We also offer two different types of vacuum-insulated containers in several historic logo designs.

**Keep warm and snug with winter essentials** such as 55” long scarves (5 designs, $40) and knit beanies as seen above (4 designs in multiple colors, $27.99). Twill baseball caps are also available at $27.99.

**Spark kids’ imaginations** with fun ‘chibi’ cartoony aircraft (with accurate 2000s era paint jobs of course) on clothing, lunch bags, stickers, and their own travel gear. This neoprene zipper lunch bag comes in 12” x12” and 14”x14” sizes and goes for $26.99 and $29.99. Three other “grown-up” designs are available as well.

**Carry on in style** with durable polyester-lined tote bags in three different sizes - roughly handbag to grocery bag. Good for the beach, shopping trips, or even your overhead bin. Four different designs. Prices run $23.99 to $29.99.

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The sky is no limit!
Our team makes the connections to history - join us as a volunteer!

Whether you’re a retiree, worker, or student, we have projects and flexibility to fit your schedule, expertise, and enthusiasm. You don’t even need to have worked for an airline - if you love history, adventure, and storytelling, you’re already one of us! We’re looking for folks to help us with:

- Greeting and guiding our museum guests
- Designing and building museum exhibits
- Grant application and fundraising
- Community outreach & event planning
- Photography and video production
- Scanning and indexing historic documents and photos
- Online advertising and social media

Email us: info@northwestairlineshistory.org - or click the “Join Us” tab on our website - or give us a call at (952) 698-4478